



STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.nj.gov/bpu/

IN THE MATTER OF THE PETITION OF)	<u>WATER</u>
APPLIED WASTEWATER MANAGEMENT,)	
INC. FOR APPROVAL OF INCREASED)	ORDER ADOPTING INITIAL
TARIFF RATES AND CHARGES FOR)	DECISION/SETTLEMENT
WATER AND SEWER SERVICE AND)	
OTHER REVISIONS AND FOR APPROVAL)	
OF A MANAGEMENT SERVICES)	BPU DOCKET NO. WR08080550
AGREEMENT PURSUANT TO <u>N.J.S.A.</u>)	OAL DOCKET NO. PUC 6514-08
48:3-7.1)	

(SERVICE LIST ATTACHED)

BY THE BOARD:

On August 1, 2008, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.11 and 14:1-5.12, Applied Wastewater Management, Inc. ("AWWM" or "Company"), a public utility of the State of New Jersey, filed with the Board of Public Utilities ("Board") a petition seeking approval of an increase in rates for water and wastewater service and other tariff revisions. The Company's rate request, if approved would have resulted in an overall increase in total Company revenues in the amount of \$2,950,133 or 66.52%. The Company also sought Board approval for a Management Services Agreement ("Agreement") between AWWM and Applied Water Management, Inc. ("AWM") pursuant to N.J.S.A. 48:3-7.1.

By this Order, the Board considers the Initial Decision recommending adoption of the Stipulation of Settlement ("Stipulation") executed by the Company, the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel"), Board Staff ("Staff") and the Intervenor, the Ramapo River Reserve Homeowners Association ("Intervenor"), (collectively, the "Parties"), agreeing to an overall increase in revenues in the amount of \$1,569,137 or 35.69%.

BACKGROUND/PROCEDURAL HISTORY

AWWM provides wastewater service to approximately 4,500 customers in certain portions of the Counties of Bergen, Burlington, Cape May, Hunterdon, Monmouth, Morris, Somerset, Sussex and Warren, New Jersey and water service to approximately 378 customers in certain portions of Hunterdon, Morris and Sussex Counties, New Jersey. As noted above, the petition seeking a 66.52% increase in total Company revenues was filed on August 1, 2008.

In its petition, AWWM states that AWM is engaged in the business of providing water and wastewater services to regulated and non-regulated entities. Since AWWM does not have any direct employees, operational, administrative and financial services are provided by AWM. AWM is familiar with all facets of the water and wastewater utility business, including the development, business and property of AWWM. AWWM states that its small size and geographic separation make this arrangement more cost effective than hiring direct employees.

As proposed in the Petition, AWM will provide the following services to AWWM pursuant to the Management Services Agreement: accounting, administrative, communication, corporate secretarial, engineering, construction, financial, human resources, information systems, operation, rates and revenue, risk management and water quality. AWWM states that the Management Services Agreement provides communication, information systems, secretarial and risk management services at no cost to AWWM. AWM and AWWM are affiliated companies, both of which are subsidiaries of E/town, LLC, of which American Water Works Company, Inc. ("American") has ultimate ownership. The Management Services Agreement further provides that AWM shall not enter into an agreement to provide similar services to any other American affiliated company at better terms than are being offered to AWWM.

On August 18, 2008, the petition was transmitted to the Office of Administrative Law (OAL) and assigned to Administrative Law Judge (ALJ) Douglas Hurd. A pre-hearing conference was conducted by ALJ Hurd on October 7, 2008.

Two public hearings were held in this matter in Mansfield Township and Chester Township on November 17 and November 18, 2008, respectively. Approximately 200 people attended the hearings and a number of people spoke voicing their objections to the proposed increase. Many customers who attended the public hearings requested usage based rates.

The Parties exchanged discovery throughout this proceeding. On or about January 26, 2009, the Ramapo River Reserve Homeowners Association filed a motion to intervene in this matter. By Order dated February 26, 2009, the ALJ granted the motion for intervention.

Subsequent to the public hearings, and prior to the evidentiary hearings in this matter, the Parties engaged in settlement negotiations. As a result of those discussions, the Parties reached a settlement on all issues and entered into a Stipulation. A copy of the Stipulation is attached to this Order.

The Stipulation provides for a total proposed overall increase in the amount of \$1,569,137, representing a 35.69% increase over current Company revenues. If approved, the \$1,569,137 increase in revenues will be phased in over a period of three years for certain customer classes. The proposed revenue increase in the first year is \$666,642 (or 15.16%), the second year increase is \$451,757 (or 8.92%), and the increase in the third year is \$450,738 (or 8.17%), effective twelve months and twenty-four months, respectively, after the effective date of the first increase.

DISCUSSION AND FINDINGS

Among the provisions of the Stipulation, the Parties recommend a rate base of \$15,077,301 and an authorized rate of return on equity for the Company of 10.3% and an overall return of 7.803%. Additionally, the Parties agreed that the Company's rate increase for certain of its wastewater residents will be phased-in over a period of three years. Applying the three year phase-in to the bill for a residential wastewater customer will result in an increase of

approximately 14.86% in the first year, approximately 12.95% in the second year, and approximately 11.45% in the third year. For the remaining wastewater residential customers there will be no phase in of the rate but an increase ranging from 9.00% to 14.33%, depending on the type of residence the customer lives in.

Pursuant to the Stipulation, the annual wastewater rates will be as follows: (No Phase-In)

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Difference</u>	<u>%</u>
3 Bedroom - Age Restricted	\$995.00	\$1,137.60	\$142.60	14.33
2 Bedroom - Age Restricted	\$995.00	\$1,104.44	\$109.44	11.00
1 Bedroom Townhome	\$995.00	\$1,084.56	\$ 89.56	9.00
2 Bedroom Townhome	\$995.00	\$1,137.60	\$142.60	14.33
3 Bedroom Townhome - Age Restricted	\$995.00	\$1,137.60	\$142.60	14.33

For the residential wastewater customer with the three year phase-in period, the rates will be as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Difference</u>	<u>%</u>
2 Bedroom Age Restricted - Homestead	\$657.08			
Year 1 Increase - date of Board Order		\$754.72	\$97.64	14.86
Year 2 Increase - effective 12 months after		\$852.36	\$97.64	12.94
Year 3 Increase - effective 24 months after		\$950.00	\$97.64	11.46
Detached Single Family	\$995.00			
Year 1 Increase - effective date of Board Order		\$1,143.00	\$148.00	14.87
Year 2 Increase - effective 12 months after		\$1,291.00	\$148.00	12.95
Year 3 Increase - effective 24 months after		\$1,438.56	\$147.56	11.43
Detached Single Family - Homestead	\$657.08			
Year 1 Increase - effective date of Board Order		\$754.72	\$97.64	14.86
Year 2 Increase - effective 12 months after		\$852.36	\$97.64	12.94
Year 3 Increase - effective 24 months after		\$950.00	\$97.64	11.46
3 Bedroom Townhome	\$995.00			
Year 1 Increase - effective date of Board Order		\$1,143.00	\$148.00	14.87
Year 2 Increase - effective 12 months after		\$1,291.00	\$148.00	12.95
Year 3 Increase - effective 24 months after		\$1,438.56	\$147.56	11.43

For the residential water customer with a 5/8" meter and consuming 65,000 gallons of water per year, there will be an annual increase from the current annual rate of \$363.16 to \$432.78, an increase of \$69.62 (or 19.10%) per year.

The Parties further stipulated that the Management Services Agreement is reasonable and prudent.

ALJ Hurd issued his Initial Decision on May 7, 2009, recommending adoption of the Stipulation executed by the Parties finding that the Parties had voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues and was consistent with law. No exceptions were received by the Board.

Having reviewed ALJ Hurd's Initial Decision and the Stipulation among the Parties to this proceeding, the Board HEREBY FINDS that the Parties have voluntarily agreed to the Stipulation, that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. Having considered the magnitude of the stipulated increase and the comments made at the public hearings, the Board HEREBY FINDS the proposed phase-in period for the rate increase is appropriate. Therefore, the Board HEREBY FINDS the Initial Decision which adopts the Stipulation to be reasonable and in the public interest.

Accordingly, as to the proposed rate increases, the Board HEREBY ADOPTS the ALJ's Initial Decision and the Stipulation attached hereto, including all attachments and schedules, as its own, incorporating by reference the terms and conditions as if fully set forth at length herein, subject to the following:

- A. The tariff sheets attached to the Stipulation containing the rates and charges conforming to the Stipulation and designed to produce the additional annual revenues to which the Parties have stipulated herein are HEREBY ACCEPTED; and
- B. The stipulated increase and the tariff design allocations for each customer classification are HEREBY ACCEPTED.

As to the proposed Management Services Agreement, the Board, having reviewed the Management Services Agreement between AWWM and AWM and being satisfied that the Agreement is reasonable and not contrary to the public interest, the Board HEREBY ADOPTS the ALJ's Initial Decision and the Stipulation attached hereto, including all attachments and schedules, as its own, incorporating by reference the terms and conditions as if fully set forth at length herein, and HEREBY APPROVES the execution of said Agreement between AWWM and AWM subject to the following provisions:

- 1 This Order shall not affect nor in any way limit the exercise of the authority of this Board or of the State of New Jersey in any proceeding with respect to rates, franchises, accounting, financing, services, capitalization, depreciation, charges for management and services under the contract or in any matters affecting AWWM and AWM.
- 2. The Management Services Agreement with AWM, shall not be assigned by any party without prior approval of this Board.
- 3. AWM shall maintain its books and records at its principal office at 2 Clerico Lane, Hillsborough, New Jersey, 08844 and shall make available its books and records for inspection by this Board and, upon request of this Board furnish any and all information with respect to the management and services rendered by AWM and the details of the cost thereof.
- 4. The cost and expense of any examination of the books and records related to the Agreement by the Board's Staff or other duly appointed representative of the Board shall be borne by AWM or AWWM; and

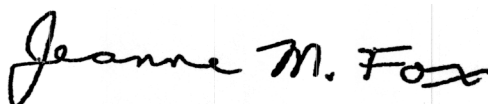
5. Prior to termination, renewal or amendment of the Agreement, AWWM and/or AWM shall apply to and obtain the Board's approval.

AWM and AWWM shall certify, in writing to the Board, their respective acceptance of the above conditions within fifteen (15) days after the date of this Order. In addition, a copy of the above executed agreement shall be filed with the Board within ten (10) days of the execution date.


The Board HEREBY DIRECTS the Company to submit a complete revised tariff conforming to the terms and conditions of the Stipulation and this Order within ten (10) days from the date of this Order.

DATED: 5/21/09

BOARD OF PUBLIC UTILITIES
BY:



JEANNE M. FOX
PRESIDENT



FREDERICK F. BUTLER
COMMISSIONER



JOSEPH L. FIORDALISO
COMMISSIONER

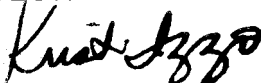


NICHOLAS ASSELTA
COMMISSIONER



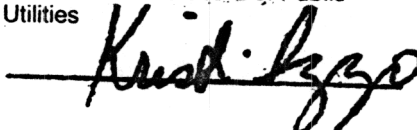
ELIZABETH RANDALL
COMMISSIONER

ATTEST:



KRISTI IZZO
SECRETARY

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



I/M/O THE PETITION OF APPLIED WASTEWATER MANAGEMENT, INC.
FOR APPROVAL OF INCREASED TARIFF RATES AND CHARGES
FOR WATER AND SEWER SERVICE AND OTHER TARIFF REVISIONS
AND FOR APPROVAL OF A MANAGEMENT SERVICES AGREEMENT
PURSUANT TO N.J.S.A. 48:3-7.1
BPU DOCKET NO. WR08080550
OAL DOCKET NO. PUC 6514-08

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

IN THE MATTER OF THE PETITION OF	:	
APPLIED WASTEWATER MANAGEMENT,	:	
INC., FOR APPROVAL OF INCREASED	:	BPU DOCKET NO. WR08080550
TARIFF RATES AND CHARGES FOR	:	OAL DOCKET NO. PUC 6514-08
WATER AND SEWER AND OTHER TARIFF	:	
REVISIONS AND FOR APPROVAL OF A	:	STIPULATION
MANAGEMENT SERVICES AGREEMENT	:	
PURSUANT TO N.J.S.A. 48:3-7.1	:	
	:	
	:	
	:	

PARTIES TO THE WITHIN STIPULATION AND APPEARANCES:

Ira G. Megdal, Esquire (Cozen O'Connor, P.C., attorneys), for Applied Wastewater Management Inc. ("AWWM" or the "Company")

Susan E. McClure, Assistant Deputy Public Advocate and Christine M. Juarez, Assistant Deputy Public Advocate, on behalf of the Department of the Public Advocate, Division of Rate Counsel (Stefanie A. Brand, Rate Counsel), ("Rate Counsel")

Anne Marie Shatto, Deputy Attorney General and Cynthia L. M. Holland, Deputy Attorney General (Anne Milgram, Attorney General of New Jersey), on behalf of the Staff of the New Jersey Board of Public Utilities ("Board Staff")

Megan Christensen, Esq. (Stark and Stark, attorneys), for Intervenor Ramapo River Reserve Homeowners Association.

TO THE HONORABLE BOARD OF PUBLIC UTILITIES

I. PROCEDURAL HISTORY

1. On August 1, 2008, Applied Wastewater Management, Inc., ("AWWM" or the "Company"), a public utility corporation of the State of New Jersey with its principal office located at 2 Clerico Lane, Hillsborough, NJ 08844, filed a Petition ("Petition") in this proceeding. The Petition sought the approval of the Board of Public Utilities of the following:

- a rate increase of \$2,950,133 or 66.52%

- a Management Services Agreement pursuant to N.J.S.A. 48:3-7.1.
2. The matter was transferred to the Office of Administrative Law (“OAL”) for hearing as a contested case. A notice of filing was issued by the OAL on August 18, 2008. The matter was assigned to Administrative Law Judge Douglas Hurd. Judge Hurd convened a pre-hearing conference on October 7, 2008.
 3. Public hearings were held in this matter in Mansfield and Chester Townships on November 17 and November 18, 2008, respectively, pursuant to appropriate public notice. Numerous members of the public spoke at the Public Hearings.
 4. Discovery was propounded upon the Company.
 5. The Company responded to all discovery requests.
 6. The Ramapo River Reserve Homeowners Association (“Ramapo”) filed a Motion to Intervene in this matter on or about January 26, 2009. By Order dated February 26, 2009, this Motion was granted.
 7. Prior to evidentiary hearings, the Company, Staff of the New Jersey Board of Public Utilities (“Board Staff”), and the Division of Rate Counsel (“Rate Counsel”) participated in settlement conferences and discussions. This Stipulation is the result of those conferences and discussions. The parties to this matter are the Company, Board Staff, Rate Counsel and Ramapo and are herein collectively referred to as the “Parties”.

II. STIPULATED MATTERS

8. The Parties agree that the twelve months ending December 31, 2008, adjusted for known and measurable changes, constitutes the appropriate test year for use in this proceeding.
9. The Parties hereto stipulate to a base rate increase that will be phased in as described herein. The Parties stipulate that those increases shall be an annualized increase of \$666,642 or 15.16% in 2009 effective the date of the Board Order, an annualized increase of \$451,757 or 8.92% effective on May 14, 2010 and an annualized increase of \$450,738 or 8.17% effective on May 14, 2011. New rates for each class are reflected in the tariff attached hereto as Exhibit A.
10. The stipulated capital structure of the Company is comprised of 51.38% debt and 48.62% equity.
11. The Parties hereto further stipulate to a rate base of \$15,077,301 and that the rates in this proceeding have been designed to yield an annual return to the Company of 10.3% on common equity and an overall return of 7.803% on rate base.
12. The Parties hereto further stipulate to a Revenue Conversion Factor of 1.756377.
13. The Company incurred certain costs associated with the Pottersville Due Diligence Study. These costs were incurred in contemplation of the acquisition of certain assets of Valley Road Sewerage Company. Ultimately, the Board approved the acquisition of certain Valley Road Sewerage Company assets by New Jersey American Water Company in Docket No. WM08070464. As a result, the Parties agree that the

Company should not receive any ratemaking recognition for the costs of the Pottersville Due Diligence Study. Further, neither Board Staff nor Rate Counsel will oppose any application by New Jersey American Water Company to recover the costs of the Pottersville Due Diligence Study as part of the acquisition costs referred to in paragraph 23 of the Stipulation approved by the Board in Docket No. WR08010020 and similarly, neither Board Staff nor Rate Counsel will oppose any application by New Jersey American Water Company to recover the costs of the Pottersville Due Diligence Costs in the same manner as those acquisition costs referred to therein.

14. The Parties further stipulate that the Management Services Agreement attached to this Stipulation as Exhibit B between the Company and Applied Water Management is reasonable and prudent.
15. The Parties stipulate that the provisions of this Stipulation reflect concessions related to recovery of costs associated with the litigation captioned, *Applied Wastewater Management, Inc. v. French and Parrello Associates*, Superior Court of New Jersey – Law Division, Monmouth County, Docket No. 4266-03. Specifically, the Company represents that it has not recovered from ratepayers any costs associated with this litigation. As a result, the Parties agree that the Company may retain any proceeds received as a result of any judgment in or settlement of such litigation. The Company also agrees to provide the Parties with a full accounting of all proceeds received as a result of any judgment or settlement of this litigation. The Parties further stipulate that this provision is non-precedential and limited to this proceeding.

III. TARIFFS

16. Attached to this Stipulation as Exhibit A are tariffs including modifications agreed to by the parties to this proceeding. These tariff pages contain rates which reflect the revenue increase to which the parties have stipulated in this proceeding. The parties to this Stipulation agree that the proposed tariffs are just and reasonable, and should be accepted by this Board.

IV. MISCELLANEOUS

17. This Stipulation represents a mutual balancing of interests and, therefore, is intended to be accepted and approved in its entirety. In the event this Stipulation is not adopted in its entirety by the Board, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

18. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided for herein, nothing agreed to in this Stipulation by the Company, Board Staff, or Rate Counsel, shall be deemed to be precedential in any other proceeding nor shall any principle or methodology underlying this Stipulation be deemed precedential in any other proceeding.

19. Within ten (10) days of a Board Order accepting this Stipulation, the Company will make a compliance filing of the tariff sheets attached as Exhibit A with the Board.

20. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except

as expressly provided herein, the Company, the Board, Board Staff, Rate Counsel and/or Intervenor shall not be deemed to have approved , agreed to or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

21. All rates are subject to audit by the Board.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

APPLIED WASTEWATER
MANAGEMENT, INC.

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Attorneys for the Staff of the New Jersey
Board of Public Utilities

By: _____
Ira G. Megdal, Esquire
Cozen O'Connor, P.C.

By: _____
Anne Marie Shatto
Deputy Attorney General
Cynthia L.M. Holland
Deputy Attorney General

RONALD K. CHEN
PUBLIC ADVOCATE OF NEW JERSEY
Stefanie Brand, Esq.
Director

RAMAPO RIVER RESERVE
HOMEOWNERS ASSOCIATION

By: _____
Susan E. McClure
Assistant Deputy Public Advocate
Christine Juarez
Assistant Deputy Public Advocate

By: _____
Megan Christensen, Esq.
Stark and Stark

Dated: May 4, 2009

MANAGEMENT AGREEMENT

This management agreement ("Agreement") dated as of _____, 2009 ("Effective Date"), by and between APPLIED WATER MANAGEMENT, INC., a New Jersey corporation having an address of 2 Clerico Lane, Hillsborough, New Jersey 08844 (hereinafter "AWM"), and APPLIED WASTEWATER MANAGEMENT, INC., a New Jersey corporation having an address of 2 Clerico Lane, Hillsborough, New Jersey 08844 (hereinafter "AWWM").

RECITALS

1. AWM and AWWM are subsidiary companies of E'town LLC ("E'town"), a Delaware limited liability company, of which American Water Works Company, ("American"), a Delaware corporation, has ultimate ownership. Accordingly, AWM and AWWM are affiliated entities.

2. AWWM has been organized for, and is presently engaged in, the business of providing water and wastewater service as a public utility in the State of New Jersey.

3. AWM is an organization engaged in the business of providing water and wastewater services to regulated and non-regulated entities, whose officers and employees are familiar with all facets of the water and wastewater utility business, including the development, operation and property of AWWM.

4. AWM's officers and employees are experienced in the efficient management, financing, accounting and operation of water utility properties and the extension and improvement thereof. The officers and employees of AWM are qualified to aid, assist and advise AWWM in its business operations through the services contemplated under this Agreement.

5. AWWM is of the opinion that it cannot obtain the same quality and diversification of services that AWM can provide to it on a comparable economic basis

elsewhere, and therefore, AWWM proposes to enter into this Agreement with AWM for provision of the services contemplated hereunder.

6. The services to be rendered under this Agreement are to be rendered by AWM to AWWM, at AWWM's cost, as more particularly set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, the AWWM and AWM agree that:

ARTICLE 1. PERSONNEL AND SERVICES TO BE PROVIDED

1.1. During the term of this Agreement and upon the terms and conditions hereinafter set forth, AWM shall provide corporate guidance to, for, and on behalf of AWWM. In addition to the guidance provided by the officers and employees of AWM through the coordination of functional activities for all companies affiliated with E'town, the officers and employees of AWM shall furnish and AWWM shall purchase from AWM, the following Services: Accounting, Administration, Communication, Corporate Secretarial, Engineering, Construction, Financial, Human Resources, Information Systems, Operation, Rates and Revenue, Risk Management and Water Quality, together with such other services as AWWM and AWM may agree; provided, however, that AWWM may perform the services with its own personnel or engage another company or person to provide those services on its behalf. By mutual consent of the parties, AWM may engage another entity or person to provide such services on AWM's behalf for the benefit of AWWM.

2. AWM shall employ qualified officers and employees and those persons shall be available for election by AWWM to serve as officers of AWWM.

1.3. Without limitation, services to be provided by AWM shall be rendered as follows:

A. Accounting: AWM shall assist in the preparation and implementation of accounting methods and procedures to determine that they conform fully to the requirements, rules and regulations of governmental authorities having jurisdiction over AWWM. AWM shall review AWWM's monthly financial reports, annual reports and other reports to stockholders and to any governmental authorities and advise and assist in the establishment and maintenance of current record keeping techniques. AWM shall review accounting procedures, methods and forms, and evaluate systems of internal control for receipt and disbursement of funds, materials and supplies, and other assets. AWM shall maintain accounting records as required by AWWM. When appropriate, AWM shall cooperate and consult with AWWM's independent certified public accountants. AWM shall assist in the preparation of operating and construction budgets and monitor the control over such budgets by comparing experienced costs to the projections. AWM shall prepare or assist in the preparation of federal, state and local tax returns for and to the extent required by AWWM.

B. Administration: AWM shall make qualified employees available to perform or assist in the performance of AWWM's operation and function. Those employees shall keep themselves informed on all aspects of AWWM's operations and shall regularly visit AWWM's facilities. They shall make recommendations to AWWM for operating expenditures and for additions to and improvements of property, plant and equipment. They shall keep abreast of economic, regulatory, governmental and operational developments and conditions that may affect AWWM, and advise AWWM of any such developments and conditions to the extent that they may impact AWWM's operations. AWM shall provide an internal audit staff for periodic audits of accounts, records, policies and procedures of AWWM and submit reports thereon.

C. Communications: AWM shall recommend procedures to promote satisfactory relations with employees, customers, communities and the general public and assist in the preparation of communication materials (including press releases, brochures, audio visual presentations and speeches), plant tours, public exhibits and displays and other related services to inform the public as to AWWM's operations.

D. Corporate Secretarial: AWM shall maintain, in such places and manner as may be required by applicable law, documents of AWWM, such as minute books, charters, by-laws, contracts, deeds and other corporate records, and shall administer an orderly program of records retention. It shall maintain, or arrange for the maintenance of, records of stockholders of AWWM, prepare or arrange for the preparation of stock certificates, perform duties relating to the transfer of stock and perform other corporate secretarial functions as required including preparation of notices of stockholder and director meetings and the minutes thereof. AWM shall review and may assist in the preparation of documents and reports required by AWWM such as deeds, easements, contracts, charters, franchises, trust indentures and regulatory reports and filings.

E. Engineering: AWM shall advise, and provide engineering services to assist AWWM in planning for, operating, maintaining and constructing its facilities. It shall conduct distribution system surveys and hydraulic analyses and prepare or review maps, charts, operating statistics, reports and other pertinent data. It shall assist AWWM in the proper maintenance and protection of AWWM properties by periodic inspection of its structures, tanks, reservoirs, dams, wells and electrical and mechanical equipment. The engineering services provided by AWM shall also include the conduct of field investigations as necessary to obtain engineering information and, when required, the preparation of studies, reports, designs, drawings, cost

estimates, specifications, and contracts for the construction of additions to or improvements of AWWM's source of supply, treatment plant, pumping stations, distribution system, and such other facilities as AWWM may request. AWM shall provide a "Materials Management" program to arrange for the purchase of equipment, materials, and supplies in volume on a basis advantageous to AWWM and assist in the evaluation of new and existing products and application procedures.

F. Construction: AWM shall advise on, and provide, construction services to assist AWWM in the repair, replacement or capital improvement of AWWM's water and wastewater system utility assets. The construction services provided include construction management (the oversight of third-party contractors and sub-contractors on any given repair, replacement or capital improvement project), actual "self-perform" construction work whereby AWM labor physically completes the required repair, replacement or capital improvement, and construction procurement, whereby AWM will arrange for the purchase of equipment, materials and supplies as required on each project.

G. Financial: AWM shall assist in the development and implementation of financing programs for AWWM, including the furnishing of advice from time to time on securities market conditions and the form and timing of financing. AWM shall advise AWWM concerning arrangements for the sale of its securities and assist in the preparation of necessary papers, documents, registration statements, prospectuses, petitions, applications and declarations related thereto. AWM shall prepare reports to be filed with, and reply to inquiries made by, security holders and bond and mortgage trustees. AWM shall assist AWWM in cash

management including arrangements for bank credit lines, establishment of collection policies, and development of temporary investment programs. AWM shall provide assistance to AWWM in the preparation of all financial reports.

H. Information Systems: AWM shall make available to AWWM electronic data processing services. Those services shall include customer billing and accounting, preparation of financial statements and other reports including those required by Federal and State agencies.

I. Operations: AWM shall provide labor services to perform “Operations and Maintenance” services for the water and wastewater facilities owned and operated by AWWM. AWM shall ensure that such facilities are operated and maintained in accordance with applicable law. AWM shall develop and assist in the implementation of operating procedures to promote the efficient and economic operation of AWWM. Periodic operational reviews will be performed by AWM personnel and any deviations from adopted procedures will be reported to AWWM.

J. Rates and Revenue: AWM personnel shall make recommendations for changes in rates, advise as to governing rules and regulations, and shall assist AWWM in the conduct of proceedings before, and in its compliance with the rulings of, regulatory bodies having jurisdiction over its operation. These personnel shall keep abreast of economic and regulatory developments and conditions that may affect AWWM, and advise AWWM of any such developments and conditions to the extent that they may impact AWWM’s operations. AWM shall provide “Rates and Revenue” personnel to AWWM, who shall assist with rate filings and applications, and prepare the supporting documents and exhibits requested or required by AWWM and their respective regulatory commissions related thereto. AWM shall also provide qualified personnel to testify on AWWM's behalf as required during any regulatory proceedings.

K. Risk Management: AWM shall provide a "Risk Management Program" to review the exposures of accidental loss to AWWM, recommend efficient methods of protection either through the purchase of insurance, self-insurance or other risk management techniques and arrange for the purchase of insurance coverage. It shall also supervise investigation procedures, review claims, as well as negotiate, assist in and evaluate proposals for settlement at the request of AWWM. AWM shall assist in the establishment of safety and security program to avoid or minimize risk and loss.

ARTICLE 2. PAYMENT FOR SERVICES

2.1. In consideration for the services to be rendered by AWM as hereinabove provided, AWWM agrees to pay to AWM the cost thereof determined as provided in this Article 2 and in Article 3.

2.2. All costs of service rendered by AWM personnel to AWWM shall be charged to AWWM based on the methodology for calculating payment for services, as more particularly described in Exhibit A.

All costs AWM incurs in connection with the services it renders to AWWM, which can be identified and related exclusively to AWWM, shall be charged directly to AWWM, in accordance with the methodology for calculating payment for services, as more particularly described in Exhibit A.

All costs AWM incurs in rendering services to AWWM that cannot be identified and related exclusively to services rendered to AWWM, shall be allocated to AWWM based on the methodology for calculating payment for services, as more particularly described in Exhibit A.

2.5. Cost for support personnel, which includes without limitation, secretaries, clerical personnel, clerks, messengers, telephone operators, mail clerks, and other incidental support personnel of AWM, as well as the cost of lease payments, depreciation, utilities and other costs associated with leasing office space and equipment by AWM shall be allocated to AWWM based on the methodology for calculating payment for services, as more particularly described in Exhibit A.

ARTICLE 3. ALLOWANCE FOR OVERHEAD

The cost to be assessed by AWM in consideration of the services it renders to AWWM, as herein provided, will include a percentage sufficient to cover the general overhead of AWM allocated to the salaries of all officers and employees for whose services AWM will charge AWWM, as more particularly described below. Such percentage shall be calculated each month and shall be the ratio of the total general overhead of AWM for the month to the total salaries of the employees for whose service charges are to be made to AWWM. No general overhead of AWM shall be added to costs incurred for services of non-affiliated consultants employed by AWM.

The term "general overhead" shall include:

- A. pension and insurance premiums paid for the benefit of AWM employees;
- B. legal and other fees for services rendered to AWWM directly or to AWM on AWWM's behalf;
- C. taxes;
- D. other general office supplies and other similar expenses; and
- E. interest on working capital.

ARTICLE 4. BILLING PROCEDURES AND BOOKS AND RECORDS

As soon as practicable after the last day of each month, AWM shall render a bill to AWWM for all amounts due from AWWM for services and expenses AWM incurred in the immediately preceding month, which will be computed in accordance with the provisions set forth in Articles 2 and 3. Such bill shall be in sufficient detail to show separately the charge for each class of service rendered. All amounts so billed shall be paid by AWWM to AWM within a reasonable time after receipt of the invoice therefore.

AWM agrees to keep its books and records available at all times for inspection by representatives of AWWM or by regulatory bodies having jurisdiction over AWWM.

4.3 AWM shall at any time, upon request of AWWM, furnish any and all information required by AWWM with respect to the services rendered by AWM hereunder, the costs thereof, and the allocation of such costs among Companies.

ARTICLE 5. OTHER AGREEMENTS

It is understood by AWWM that AWM may enter into similar agreements with other companies that are affiliated with E'town or American, to which similar services are to be furnished. Notwithstanding, AWM will not enter into agreements to perform similar services for other companies on terms more favorable than those provided herein.

5.2. It is understood by AWWM that AWM may enter into an agreement or agreements with E'town, American and certain other companies not engaged in the water or sewer service business to which certain services are to be furnished. AWWM consents to such additional agreements, provided, however, that no part of the cost of furnishing such services will be charged to AWWM.

ARTICLE 6. TERM OF AGREEMENT

This Agreement shall become effective as of the later of (a) the Effective Date or (b) the date the parties receive any necessary approvals of governmental regulatory agencies having jurisdiction. Upon becoming effective, this Agreement shall be the sole agreement between the parties concerning the subject matter hereof. This Agreement shall continue in full force and effect until terminated by either of the parties hereto giving the other party hereto ninety (90) days notice in writing; provided, however, that this Agreement shall terminate as of the date AWWM or AWM ceases to be an affiliate of American.

IN WITNESS WHEREOF, AWM and AWWM have caused this Agreement to be signed in their respective corporate names by their respective corporate Presidents or Vice Presidents, and impressed with their respective corporate seals attested by their respective Secretaries or Assistant Secretaries, all as of the day and year first above written.

ATTEST: APPLIED WATER MANAGEMENT, INC.

By: _____
Steve Curtis, Vice President, Operations Services

ATTEST: APPLIED WASTEWATER MANAGEMENT,
INC.

By: _____
Timothy J. Davies, President

EXHIBIT A

Methodology for calculating payment for services:

Presented below is the methodology for calculating payment for services, for items listed in Article 1.

A. Accounting: Prior to March 31st of each calendar year, AWM shall provide a projected cost for accounting staff to AWWM for the following twelve (12) month period (April 1st to March 31st). This proposed cost will be presented as a monthly cost with an annual total. This projected cost will be based on the anticipated number of labor hours to be provided to AWWM for “Accounting” services as defined in Article 1, Section 1.3 (A) multiplied by the raw hourly cost paid to AWM employees who will provide the Accounting services, plus additional overhead costs as per Article 3.

B. Administration: Prior to March 31st of each calendar year, AWM shall provide a projected cost for accounting staff to AWWM for the following twelve (12) month period (April 1st to March 31st). This proposed cost will be presented as a monthly cost with an annual total. This cost will be based on the anticipated number of labor hours to be provided to AWWM for “Administration” services as defined in Article 1, Section 1.3 (B) multiplied by the raw hourly cost paid to AWM employees who will provide the Administration services, plus additional overhead costs as per Article 3.

C. Communications: AWM will not charge the AWWM any expenses associated with “Communications” services as described in Article 1, Section 1.3(C).

D. Corporate Secretarial: AWM will not charge AWWM any expenses associated with “Corporate Secretarial” services as described in Article 1, Section 1.3(D).

E. Engineering: For any “Engineering” services required by AWWM, as defined in Article 1, Section 1.3(E), a specific scope of work and estimated price will be developed by AWM, and submitted to AWM employees acting on behalf of AWWM. Pricing will be developed on a project-by-project basis, and no Engineering services will be provided unless an authorized representative of AWWM has provided to AWM a written approval to proceed. AWM pricing will be prepared based on AWM per diem rates, which include raw labor cost, overhead costs, and profit.

F. Construction: For any “Construction” services required by AWWM, as defined in Article 1, Section 1.3(F), a specific scope of work and estimated price will be developed by AWM, and submitted to AWM employees acting on behalf of AWWM. For projects with an anticipated total Construction services cost of less than \$500,000, pricing will be developed on a project-by-project basis, and Construction services will not be provided unless an authorized representative of AWWM has provided to AWM a written approval to proceed. AWM pricing will be prepared based on AWM per diem rates, which include raw labor, overhead costs and profit. Material and sub-contractor expenses will be marked up by AWM by 10% on cost.

For projects with an anticipated total Construction services cost of \$500,000 or more, AWWM will solicit bids from at least two qualified entities (AWM, and at least one third-party contractor). In such instances, the construction work will be awarded to the qualified bidder with the lowest price. For those projects awarded to a third-party contractor, AWM will

be engaged as a construction manager and be entitled to a fair and reasonable project management fee, which will be calculated on a per diem basis for labor only. For such projects AWM will not mark-up the sub-contractor costs as part of the fee charged to AWWM.

G. Financial: Prior to March 31st of each calendar year, AWM shall provide a projected cost for accounting staff to AWWM for the following twelve month period (April 1st to March 31st). This cost will be presented as a monthly cost with an annual total. This projected cost will be based on the anticipated number of labor hours to be provided to AWWM for “Financial” services as defined in Article 1, Section 1.3 (G) multiplied by the raw hourly cost paid to AWM employees who will provide the Financial services, plus additional overhead costs as per Article 3.

H. Information Systems: AWM will not charge AWWM any expenses associated with “Information Systems” services as described in Article 1, Section 1.3(H).

I. Operations: For any “Operations” services required by AWWM, as defined in Article 1, Section 1.3(I), AWM shall provide a price to be charged for each individual water and wastewater facility owned and operated by AWWM, by March 31st of each year. The price will be provided to AWWM as a monthly amount and annual total. Upon approval by an authorized AWWM representative the agreed prices will be charged for the following twelve (12) months, commencing April 1st. AWM pricing will be prepared based on AWM costs, which include raw labor cost, overhead costs, and profit.

J. Rates and Revenue: AWM shall charge AWWM the cost associated with actual hours spent providing AWWM with “Rates and Revenue” services, as defined in Article

1, Section 1.3(J), based on AWM timesheet logs. Costs charged to AWWM will include raw labor cost and associated overhead costs, as per Article 3.

K. Risk Management: AWM will not charge AWWM any expenses associated with “Risk Management” services as described in Article 1, Section 1.3(K).

B.P.U. No. 1 – Water and Wastewater

APPLIED WASTEWATER MANAGEMENT, INC.

TARIFF

for

WATER AND WASTEWATER SERVICE

Date of Issue: September 13, 2004

Effective: September 14, 2004

Issued By: Mark F. Strauss, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR03030222.

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RATE SCHEDULES AS LISTED BELOW:

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Date of Issue: May 14, 2009

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Issued by: Tim Davies, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR08080550.

AN INTRODUCTION TO CUSTOMERS

The tariff located here in the Company's office is available and open for your review. The Company is responsible to maintain its tariff on an absolutely current basis and must, by State law and regulations, maintain it in exactly the same format as its Company's tariff which is on file at the Board of Public Utilities Offices, Two Gateway Center, Newark, NJ, on the 9th Floor in the Division of Water and Wastewater.

If, after your review of this tariff and discussion with appropriate utility 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 (973) 648-2275 or the Board's Division of Customer Relations, if you have billing problems, at 1-800-624-0241 (toll free).

As a customer you have the right to review this tariff at the Company's offices or at the Board's office in Newark. 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 or sewer company. Please feel free to exercise this right by telephone or by visiting the Board's office at any time between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday, or by writing a letter. The letter should contain the Writer's name, address and phone number. If the writer is a customer of record, the account number should be included.

The Company has available, here in its office, and will provide for your review, a handout 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, the Board's regulations supersede the tariff provision absent approval to the contrary by the Board.

Date of Issue: September 13, 2004

Effective: September 14, 2004

Issued by: Mark F. Strauss, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR03030222.

AN OVERVIEW OF COMMON CUSTOMER COMPLAINTS AND CUSTOMER RIGHTS

- (1) No public utility shall refuse to furnish or supply service to a qualified applicant.

DEPOSITS

- (2) If after notice of the methods of establishing credit and being afforded an opportunity, a customer has not established credit, the utility may require a reasonable deposit as a condition of supplying service (N.J.A.C. 14:3-7.1).

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. If a residential water or sewer customer's deposit is not returned, the water or sewer utility company shall credit the customer's account with the accrued interest once every 12 months (N.J.A.C. 14:3-7.5)

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. 14:3-7.6).

DEFERRED PAYMENT ARRANGEMENTS

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: electric and gas; water and sewer) and the amount which is in arrears is a combination of those services, the utility shall offer a separate deferred payment arrangement for each service prior to any proposed discontinuance for nonpayment (N.J.A.C. 14:3-7.13(d)). If the customer defaults on the terms of the agreement, the utility may discontinue service after providing the customer with a notice of discontinuance. In the case of a residential customer who received more than one utility service from the same utility and has subsequently entered into an agreement for each separate service, default on one such agreement shall constitute grounds for discontinuance of only that service. (N.J.A.C. 14:3-7.13(d))

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2 Clerico Lane
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DISCONTINUANCE OF SERVICE

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 charges. 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)).

A customer has at least fifteen (15) days to pay a bill. A water and/or sewer company may not discontinue water and sewer service unless written notice is given at least ten (10) days prior to the discontinuance. The notice shall not be given until after the expiration of the fifteen (15) day period. (N.J.A.C. 14:3-7.12(a)) The notice shall contain sufficient information for the customer to notify the Board of Public Utilities of the nature of the dispute. The utility must notify customers over 65 years old of their right to designate a third party of their choosing to concurrently receive discontinuance notices issued concerning the customer's account. (N.J.A.C. 14:3-7.12(2))

A residential customer's service may not be shut-off 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. (N.J.A.C. 14:3-3.6)

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 water and/or sewer company's actually discontinuing service.

- (10) A customer has the right to have any complaint against his or her water and sewer utility handled promptly by that utility. (Board Order, Docket No. CO8602155)

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(b)) 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. 13:3-3.3(d))

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Hillsborough, NJ 08844

METER

- (12) The utility must provide for one free water 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. 14:3-4.10(b)) When a billing dispute is known to exist, the water utility shall, prior to removing the meter, advise the customer that they 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 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))

Whenever a 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 percent on the amount of the bills covering the entire period that the meter had 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 test on one-half of the total amount of the billing affected by the fast meter adjust 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. 14:3-4.7)

A water or service 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. 14:3-7.8)

FORM OF BILL FOR METER SERVICE

Bills rendered must contain the following: (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 upon request; (e) the amount of the bill; (f) A distinctive marking to indicate an estimated, averaged, or a remote meter index; (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).

Date of Issue: September 13, 2004

Effective: September 14, 2004

Issued by: Mark F. Strauss, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

STANDARD TERMS AND CONDITIONS

1. Applied Wastewater Management, Inc. hereinafter also referred to as the "Company," hereby adopts Regulations promulgated by the Board of Public Utilities to the State of New Jersey, insofar as they may be applicable to water and/or wastewater utilities, which Regulations are incorporated herein by reference thereto.

	<u>County</u>	<u>Municipality</u>	<u>All or Portion</u>	<u>Development</u>	<u>Water/Sewer</u>
A)	Burlington	Twp. Of Mansfield	Portion	Mapleton (Mansfield Farms)	Sewer
B)	Burlington	Twp. Of Mansfield	Portion	Homestead	Sewer
B)	Burlington	Twp. Of Mansfield	Portion	Country Walk	Sewer
D)	Burlington	Twp. Of Mansfield	Portion	John Hydock Elementary School	Sewer
D)	Burlington	Twp. Of Mansfield	Portion	Northern Burlington School	Sewer
A)	Cape May	Twp. Of Middle	Portion	Avalon Country Club	Sewer
A)	Hunterdon	Borough of Bloomsbury	Portion	Fawn Run	Sewer
A)	Hunterdon	Twp. Of Tewksbury	Portion	Crossroads at Oldwick	Water/Sewer
A)	Hunterdon	Twp. Of Union	Portion	Village Square	Sewer
A)	Hunterdon	Twp. Of Clinton	Portion	Brass Castle	Sewer
A)	Hunterdon	Twp. Of Union	Portion	Lookout Pointe	Sewer
A)	Hunterdon	Twp. Of Clinton	Portion	Glen Meadows	Sewer
A)	Monmouth	Twp. Of Upper Freehold	Portion	Beacon Hill	Sewer
D)	Monmouth	Twp. Of Upper Freehold	Portion	Beacon Hill Clubhouse	Sewer
A)	Morris	Twp. Of Mount Olive	Portion	Country Oaks	Water/Sewer
A)	Morris	Twp. Of Chester	Portion	Four Seasons @ Chester	Water/Sewer
A)	Morris	Twp. Of Jefferson	Portion	Peaks @ Jefferson	Sewer
A)	Warren	Twp. Of Washington	Portion	Hawk Pointe	Sewer
C)	Warren	Twp. Of Washington	Portion	Port Colden Mall	Sewer
A)	Bergen	Twp. Of Oakland	Portion	Ramapo River Reserve	Sewer
A)	Somerset	Twp. Of Hillsborough	Portion	Hillsborough Chase	Sewer
A)	Sussex	Twp. Of Andover	Portion	Proposed development, Lifecare Mews, Four Seasons, Burd School, Long Pond Public School, and proximate areas.	Water/Sewer

This tariff shall apply also to other systems under contract wherever served.

KEY:

- A) Community On-Site Water and/or Wastewater System (COWS)
- B) Homestead
- C) Service by Contract
- D) Other Contracts

Date of Issue: May 14, 2009

Effective: May 14, 2009

Issued by: Tim Davies, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR08080550.

STANDARD TERMS AND CONDITIONS

2. When establishment of regular water or wastewater service or any other service is desired, the initial request may be made by telephone, mail, or in person at the utility's office. A formal application (Original Sheet No. 14), as filed with the Board of Public Utilities, will be provided to the customer by the utility. The application will be signed by the person occupying the premise or customer of record, or the owner if charges for service are paid by the landlord.

Water service supplied by the Company shall not be resold by the customer to others. All water shall be used only for the purposes and upon the premises stated or described in the application.

The applicant shall be considered a customer when service is made available for him and shall be liable for the charges for water and/or wastewater service thenceforth.

3. The customer's pipes, fixtures, appliances, and apparatus shall be selected, installed, used, and maintained in accordance with standard practice, conforming to all laws and governmental regulations applicable thereto and to the effective tariff. The customer expressly agrees that no appliance or device which if not properly constructed, controlled, and protected will be used and the use of such which adversely affect the water and/or wastewater service shall be discontinued. All customers' service installations shall be inspected by a competent authority to ensure that all piping, equipment, and devices have been installed in accordance with standard practice, and such governmental rules as may apply. A customer proposing making any material change in the size, character, or extent of the equipment or operations for which the Company's service is utilized shall give the Company thirty (30) days written notice of the extent and nature of the change.
4. Water and/or wastewater service may be discontinued by the Company upon reasonable notice, as specified in N.J.A.C. 14:3-3.6, Basis of Discontinuance of Service, except that where service is discontinued for non-payment of a valid bill, the provisions of N.J.A.C. 14:3-7.12, Notice of Discontinuance, shall apply.
5. When it is necessary to discontinue service for the purpose of making repairs, temporary or permanent, or for making improvements in the system, the Company will use all reasonable and practical measures to notify customers in advance of such discontinuance of service and its probable duration. All persons having boilers or other equipment in their premises not supplied by a tank or cistern are hereby cautioned against collapse or other damage.

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Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

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STANDARD TERMS AND CONDITIONS

6. The Company will use due diligence at all times to provide continuous service of a character or quality proposed to be supplied by 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 light of the circumstances then existing to restore service or correct its characteristics.
7. The Company also reserves the right, subject to approval of the Board of Public Utilities of the State of New Jersey, to change, take from, or add to the foregoing rules, regulations, terms, and conditions.
8. The Standard Terms and Conditions contained in this tariff are a part of every contract for service entered into by the Company and govern all classes of service where applicable, unless specifically modified by a provision or provisions contained in a particular service classification.
9. No agent or employee of the Company shall have authority to bind it by any promise, agreement, or representation not provided for in the effective tariff.

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Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR03030222.

STANDARD TERMS AND CONDITIONS

10. EMERGENCY RESPONSES DUE TO EXTRAORDINARY DEMAND AND/OR DIMINISHED SUPPLY

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

For compliance with 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 10.3 and 105 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.S.A. 14:3-3.6 for any of the following acts or omissions on the part of the customer.

- (1) Connecting or operating any piping or other facility, including by 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.

10.2 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.

10.3 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, include governmental mandate, service is interrupted, irregular, defective, or fails, the Company will not be liable for damage or inconvenience resulting there from. 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 prominent advertisements detailing the conditions and restrictions in a newspaper of general circulation in the utility service area. The notice will state the purpose and probably duration of the restriction or discontinuance. Failure to provide regular and uninterrupted service due to breakdowns is covered under other sections of this tariff.

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Issued by: Mark F. Strauss, President
Applied Wastewater Management, Inc.
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Hillsborough, NJ 08844

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STANDARD TERMS AND CONDITIONS

10. EMERGENCY RESPONSES DUE TO EXTRAORDINARY DEMAND AND/OR DIMINISHED SUPPLY (continued)

10.4 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.

10.5 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 door tag 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 door tags, they shall be subsequently 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.

11. WATER MAIN EXTENSION TARIFF LANGUAGE

11.1 The Company/Municipal System will extend water service in accordance with all applicable laws of the State and Board of Public Utilities regulations and orders, including, but not limited to those regulations contained in N.J.A.C. 14:3-1, N.J.A.C. 14:3-6, N.J.A.C. 14:3-8, and N.J.A.C. 14:3-10.

Date of Issue: March 7, 2005

Effective: March 7, 2005

Issued by: Mark F. Strauss, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR03030222.

STANDARD TERMS AND CONDITIONS

MULTI-USE SERVICE

- 1- By applying for multi-use service, the customer agrees to be responsible for all claims, costs and liability for personal injury, death and/or property damage, resulting from the customer's individual water system, unless caused by the negligence of the water utility.
- 2- All multi-use service lines shall be metered and the meter shall be located in a meter pit or vault located outside of the Customer's structure. The meter pit or vault shall be installed at a location acceptable to the express approval of the Water Company.
- 3- If a customer requests a change in meter size associated with a multi-service meter, the customer must re-apply for service and re-certify each item addressed in this Rate Schedule.

By applying for multi-use service, and operating the same, the customer agrees:

1. To include a backflow prevention device(s) as defined at N.J.A.C. 7:10-1.3, and as specified at N.J.A.C. 7:10-10.3;
2. To be solely responsible for all costs and expenses relating to the installation, operation, maintenance, repair and replacement of the customer's water system, including the fire suppression system and backflow prevention device(s);
3. To ensure that the customer's water system complies with the applicable requirements of the Uniform Construction Code in effect at the time of system installation, including any applicable building, plumbing and fire protection sub-codes; and
4. To ensure that the customer's water system is maintained in accordance with all applicable law so as to protect against backflow, back-siphonage and contamination of the potable water system.

Date of Issue: May 14, 2009

Effective: May 14, 2009

Issued by: Tim Davies, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR08080550.

STANDARD TERMS AND CONDITIONS - WASTEWATER

Property owners wishing to connect their premises with the wastewater line of the Company shall make application at the office of the Company upon forms prescribed by the Company (Original Sheet No. 14) and must agree to the terms, conditions, and rates as set forth in this and subsequent tariffs of the Company.

2. The within rates are applicable to normal sewerage, as defined by the New Jersey Department of Environmental Protection, namely 250 ppm.5 – day B.O.D. The utility company reserves the right to require pretreatment of the wastewater prior to discharge into sewers in the event that the sewage contains harmful substances such as gasoline, PCBs, oil, explosive liquids, phenols, acids, alkalines, lint, excessive detergents or any other substance as defined by NJDEP. Each customer shall be fully responsible for proper use of the wastewater system and shall therefore not discharge any chemicals or contaminants which are toxic and which may cause damage to the wastewater system's electrical, mechanical, biological, or physical process components or may harm either the groundwater, soil or atmosphere, as listed on Schedule A on Original Sheet No. 13, as it may be periodically updated. Any cost involved in repairs of damage to the Company's facilities, environmental damages and penalties or fines levied against the utility caused by the introduction by the customer of unacceptable or harmful substances shall be the responsibility of the customer.
3. In accordance with the National Standard Plumbing Code adopted by the Uniform Construction Code of the State of New Jersey, no storm drainage system of a building shall be connected directly or indirectly to the sanitary drainage system. The company adopts the above provision and prohibits the drainage of storm water into its collecting system. Each customer shall be responsible to prevent any surface water or groundwater from entering into the wastewater system and therefore shall not connect or allow to be connected to the system any sump pumps, Basement or crawl space drains, roof gutters, downspouts, or floor drains, and shall properly maintain all pipes and clean-outs to assure a watertight connection.
4. Garbage disposal units are not permitted, except for the Homestead service area, or if specifically authorized by the Company.
5. Each customer shall prevent damage to all system components located on the property being served, including components located within easement area; maintain the grass growth and prevent the growth of trees, shrubs, and ornamentals within the easement areas; maintain and repair pipes connecting the home to the septic tank to prevent clogging and leaking; and to notify the Company of any damage which may occur to system components.

Date of Issue: September 13, 2004

Effective: September 14, 2004

Issued by: Mark F. Strauss, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR03030222.

STANDARD TERMS AND CONDITIONS - WASTEWATER

6. Because the wastewater system can only handle a limited quantity of water, each residential customer may discharge no more than the maximum average of 350 gallons per day, or 32,000 gallons per quarter, of wastewater. In order to verify compliance with this provision, each customer must allow a representative of the Company to inspect all plumbing components upon request and to obtain all water meter readings as may be required.
7. Customers may not trespass on Company property or enter any Company facility without a representative of the Company being present.
8. A customer may terminate service by giving notice to the Company, which shall terminate service within five (5) business days of receipt of each notification. Customers are advised that it is illegal to operate a dwelling without adequate functioning wastewater facilities, and that the Company is required to notify local health authorities of wastewater service termination.
9. Sewerage service may be discontinued by the Company for any of the following reasons:

For the non-payment of rates and charges, as provided in this and subsequent tariffs of the Company. Should a customer be more than 15 days delinquent in paying the quarterly bill for sewerage service, the Company may discontinue service by giving 10 days written notice of disconnection to the customer and a copy of such notice to the local Board of Health. When a customer is disconnected for non-payment of a bill for sewerage service, the customer will be required to pay, in addition to the delinquent amount, the Company's cost of reconnections of \$350.00, whichever is less, before service is restored.

For the violation of one or more of the standard terms and conditions of service contained in this or subsequent tariffs of the Company. Service may be discontinued by the Company for violation of standard terms and conditions upon 10 days written notice of the existence of such violation.

All notices herein of discontinuation shall be delivered to the owner personally or by registered mail, addressed to the last address of the owner listed in the records of the Company. The Company will also provide notice of such discontinuance to the local health authorities, as set forth in paragraph 8.

Date of Issue: September 13, 2004

Effective: September 14, 2004

Issued by: Mark F. Strauss, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR03030222.

SCHEDULE A

I. MATERIALS NOT TO BE DISPOSED THROUGH SEWER SYSTEM

Grease
Food scraps
Plastics
Gasoline or motor fuels
Paint and paint thinners
Used motor oils
Petroleum solvents
Pesticides (solids or liquids)
Herbicides (solids or liquids)
Engine coolants (antifreeze)
Acids
Water softener backwash
Photographic development solutions

II. MAXIMUM PERMITTED DISCHARGE CONCENTRATIONS

Biological oxygen demand – 135 mg/L
Chemical oxygen demand – 351 mg/L
Total organic carbon – 99 mg/L
Total solids – 1,608 mg/L
Volatile solids – 295 mg/L
Total suspended solids – 75 mg/L
Volatile suspended solids – 62 mg/L
Calcium – 59 mg/L
Magnesium – 33 mg/L
Sodium – 218 mg/L
Chlorine – 218 mg/L
Oil and grease – 22 mg/L
Total dissolved solids – 872 mg/L
Total Kjeldahl nitrogen – 60.7 mg – N/L
Ammonia nitrogen – 53.3 mg – NL
Phosphorus – 6.3 mg – P/L
Turbidity – 45 NTU
Ph – 5-9
Alkaline – 479 mg CaCO₃/L
Hardness – 327 mg CaCO₃/L
Volatile organics by GC/MS – Non-detectable
Pesticides – Non-detectable
Herbicides – Non-detectable

Date of Issue: September 13, 2004

Effective: September 14, 2004

Issued by: Mark F. Strauss, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR03030222.

APPLICATION FOR ESTABLISHMENT OF SERVICE

In order to maintain accurate records, customers are encouraged to request service from the Company's office. Upon such request for service, copies of this tariff will be made available to the customer. The form of the application follows:

PRINT CUSTOMER NAME

CONTRACT FOR SERVICE

I hereby apply to Applied Wastewater Management, Inc. for water and/or wastewater service to be supplied at the address described below. I agree to take and pay for such service in accordance with the rates, rules, and regulations filed with and authorized by the Board of Public Utilities of the State of New Jersey, or as the same may hereafter be amended and in effect at the time of delivery.

SERVICE ADDRESS

BILLING ADDRESS

DATE

SIGNATURE OF APPLICANT

Date of Issue: September 13, 2004

Effective: September 14, 2004

Issued by: Mark F. Strauss, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR03030222.

RATE SCHEDULE NO. 1 FOR ALL AREAS
IDENTIFIED AS COWS ON SHEET NO. 6

APPLICABILITY:

Applicable to all customers located in service areas noted as (A) on Sheet No. 6.

CHARACTER OF SERVICE:

Continuous (unmetered)

RATES:

<u>CLASS</u>	<u>RATE PER QUARTER</u>
3 BEDROOM AGE RESTRICTED	\$284.40
2 BEDROOM AGE RESTRICTED	276.11
DETACHED SINGLE FAMILY	285.75
1 BEDROOM TOWNHOUSE	271.14
2 BEDROOM TOWNHOUSE	284.40
3 BEDROOM TOWNHOUSE	285.75
3 BEDROOM TOWNHOUSE AGE RESTRICTED	284.40

TERMS OF PAYMENT:

At least 15 days' time for payment of a valid bill shall be allowed after sending a bill. The Company may discontinue service for non-payment of a valid bill provided it gives the customer at least 10 days written notice. The notice cannot be issued until after the expiration of the said 15-day period.

Date of Issue: May 14, 2009

Effective: May 14, 2009

Issued by: Tim Davies, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR08080550.

RATE SCHEDULE NO. 2 FOR ALL AREAS
IDENTIFIED AS HOMESTEAD ON SHEET NO. 6

APPLICABILITY:

Applicable to all customers located in service areas noted as (B) on Sheet No. 6.

CHARACTER OF SERVICE:

Continuous (unmetered)

RATES:

<u>CLASS</u>	<u>RATE PER QUARTER</u>
2 BEDROOM AGE RESTRICTED	\$188.68
DETACHED SINGLE FAMILY	188.68

TERMS OF PAYMENT:

At least 15 days' time for payment of a valid bill shall be allowed after sending a bill. The Company may discontinue service for non-payment of a valid bill provided it gives the customer at least 10 days written notice. The notice cannot be issued until after the expiration of the said 15-day period.

Date of Issue: May 14, 2009

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Issued by: Tim Davies, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR08080550.

RATE SCHEDULE NO. 3
OTHER CONTRACTS

APPLICABILITY:

Applicable to sewer users located in the service area noted as (D) on Sheet No. 6.

CHARACTER OF SERVICE:

Continuous. (unmetered)

RATES:

<u>CLASS</u>	<u>RATE PER QUARTER</u>	
Schools	\$341.56	Per Formula*
Other	341.56	Per Equivalent Dwelling Units.**

TERMS OF PAYMENT:

At least 15 days' time for payment of a valid bill shall be allowed after sending a bill. The Company may discontinue service for non-payment of a valid bill provided it gives the customer at least 10 days written notice. The notice cannot be issued until after the expiration of the said 15-day period.

* Quarterly Charge = $\$341.56 \times (\text{Average Daily Enrollment} \times \text{Student GPD}) / 300$

Where Student GPD is as follows:

NJDEP projected usage per Elementary School student = 15 GPD

NJDEP projected usage per High School student = 25 GPD

**An equivalent residential customer is based on 235 GPD

Date of Issue: May 14, 2009

Effective: May 14, 2009

Issued by: Tim Davies, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR08080550.

RATE SCHEDULE NO. 4
NON-RESIDENTIAL WASTEWATER SERVICE

APPLICABILITY:

Applicable to all sewer facilities used by non-residential users located in all service areas.

CHARACTER OF SERVICE:

Continuous

RATES:

CONSUMPTION CHARGES

<u>Quantity Used in the Quarter</u>	<u>Rate Per 1,000 gallons</u>	<u>Rate Per 100 Cubic Feet</u>
For all water consumed	\$9.8260	\$7.3498

SERVICE CHARGES

<u>Size of Water Meter</u>	<u>Rate Per Quarter</u>
5/8" or 5/8" x 3/4"	\$90.23
3/4"	135.33
1"	225.56
1 1/2"	451.13
2"	721.79

TERMS OF PAYMENT:

At least 15 days' time for payment of a valid bill shall be allowed after sending a bill. The Company may discontinue service for non-payment of a valid bill provided it gives the customer at least 10 days written notice. The notice cannot be issued until after the expiration of the said 15-day period.

Date of Issue: May 14, 2009

Effective: May 14, 2009

Issued by: Tim Davies, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR08080550.

RATE SCHEDULE NO. 5
GENERAL METERED SERVICE

APPLICABILITY:

Applicable to use of water supplied through meters located in all service areas noted on Sheet No. 6.

CHARACTER OF SERVICE:

Continuous

RATES:

CONSUMPTION CHARGES

<u>Quantity Used in the Quarter</u>	<u>Rate Per 1,000 gallons</u>	<u>Rate Per 100 Cubic Feet</u>
For all water consumed	\$4.9889	\$3.73170

SERVICE CHARGES

<u>Size of Water Meter</u>	<u>Rate Per Quarter</u>
5/8" or 5/8" x 3/4"	\$27.00
3/4"	40.50
1"	67.50
1 1/2"	135.00
2"	216.00

TERMS OF PAYMENT:

At least 15 days' time for payment of a valid bill shall be allowed after sending a bill. The Company may discontinue service for non-payment of a valid bill provided it gives the customer at least 10 days written notice. The notice cannot be issued until after the expiration of the said 15-day period.

*The State of New Jersey enacted Ch.443 of the Laws of New Jersey in 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 in the above rates.

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Effective: May 14, 2009

Issued by: Tim Davies, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR08080550.

RATE SCHEDULE NO. 6
IRRIGATION SERVICE - WATER

APPLICABILITY:

Applicable to use of water supplied through meters located in all service areas noted on Sheet No. 6 for the sole purpose of irrigation.

CHARACTER OF SERVICE:

Continuous

RATES:

CONSUMPTION CHARGES

<u>Quantity Used in the Quarter</u>	<u>Rate Per 1,000 gallons</u>	<u>Rate Per 100 Cubic Feet</u>
For all water consumed	\$6.8034	\$5.08894

SERVICE CHARGES

<u>Size of Water Meter</u>	<u>Rate Per Quarter</u>
5/8" or 5/8" x 3/4"	\$27.00
3/4"	40.50
1"	67.50
1 1/2"	135.00
2"	216.00

TERMS OF PAYMENT:

At least 15 days' time for payment of a valid bill shall be allowed after sending a bill. The Company may discontinue service for non-payment of a valid bill provided it gives the customer at least 10 days written notice. The notice cannot be issued until after the expiration of the said 15-day period.

*The State of New Jersey enacted Ch.443 of the Laws of New Jersey in 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 in the above rates.

Date of Issue: May 14, 2009

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Issued by: Tim Davies, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

RATE SCHEDULE NO. 7
PUBLIC FIRE PROTECTION SERVICE

APPLICABILITY:

Applicable to the municipality for all fire hydrants on public streets within the entire service area.

CHARACTER OF SERVICE:

Continuous, except as limited by "Standard Terms and Conditions".

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

RATES:

Hydrant Charge - \$57.98 per quarter for each fire hydrant installed by the Company.

TERMS OF PAYMENT:

At least 15 days' time for payment of a valid bill shall be allowed after sending a bill. The Company may discontinue service for non-payment of a valid bill provided it gives the customer at least 10 days written notice. The notice cannot be issued until after the expiration of the said 15-day period.

CONDITIONS:

Subject to "Standard Terms and Conditions"

Date of Issue: May 14, 2009

Effective: May 14, 2009

Issued by: Tim Davies, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR08080550.

RATE SCHEDULE NO. 8
PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY:

Applicable to customers throughout entire territory for private fire protection service, including fire hydrants located on other than public streets and right-of-ways.

CHARACTER OF SERVICE:

Continuous, except as limited by "Standard Terms and Conditions".

The Company shall use 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.

RATES:

A rate of \$57.98 per quarter will be made for each private fire hydrant (any fire hydrant not located in public streets and right-of-ways) not attached to a sprinkler service line.

TERMS OF PAYMENT:

At least 15 days' time for payment of a valid bill shall be allowed after sending a bill. The Company may discontinue service for non-payment of a valid bill provided it gives the customer at least 10 days written notice. The notice cannot be issued until after the expiration of the said 15-day period.

SPECIAL PROVISIONS:

Private fire service lines shall be equipped with special meters and are to be used exclusively for fire protection purposes. No water shall be used through these connections except for testing purposes or in case of fire. An allowance of 1,000 gallons of water per quarter is permitted for testing purposes. Any water usage exceeding 1,000 gallons per quarter will be computed under the General Metered Service, Rate Schedule No. 3

Certified Residential Health Care Facilities and rooming or boarding homes which are required to install private fire sprinkler systems pursuant to P.L. 1971, c. 136 (N.J.S.A. 26:2H-1, et seq.) and P.C. 1979, c. 496 (N.J.S.A. 55:13B-1, et seq.) and regulations promulgated under these two statutes, shall be exempt from the payment of charges for service to Privately Owned Fire Protection Systems as detailed in Rate Schedule No. 3. Such exemption shall not be granted until the applicant has submitted to the Company, and the Company has reviewed and approved, evidence that the applicant is a licensed Residential Health Care Facility or a rooming or boarding house and has been required to install a private fire sprinkler system pursuant to the above statutes and regulations.

CONDITIONS:

Subject to "Standard Terms and Conditions"

Date of Issue: May 14, 2009

Effective: May 14, 2009

Issued by: Tim Davies, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR08080550.

RATE SCHEDULE NO. 9
MISCELLANEOUS SERVICE

APPLICABILITY:

Applicable to all classes of customers for the following miscellaneous service throughout the service area.

CHARACTER OF SERVICE:

Continuous, except as limited by "Standard Terms and Conditions".

RATES:

CHARGES NOT INVOLVING THE USE OF WATER:

Resumption of Service after discontinuance due to nonpayment of bills or violation of the Company's rules:

Water	During normal business hours	\$24.00
Water	During non-business hours	\$42.00
Sewer	At any time	Lesser of \$350.00 or actual cost

Removing and Replacing Meters

The utility shall not charge for the replacement of the water meter where such replacement is greater than one year. If the meter has been in service less than one year, there will be a charge of \$24.00.

A meter of a customer who has a complaint filed with the Board reflecting on the accuracy or performance of a meter shall not be removed from service by the utility during the pendency of said complaint or during the following 30 days unless authorized or directed by the Board.

The utility shall, without charge, make a test of the accuracy of the meter upon request of the customer, provided such customer does not make a request for test more frequently than once in 12 months. A report of the test results will be provided to the customer. No charge will apply where the meter tested is in error by 1.5% or more than 100%.

Date of Issue: September 13, 2004

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Issued by: Mark F. Strauss, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

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RATE SCHEDULE NO. 9
MISCELLANEOUS SERVICE (continued)

CHARGES NOT INVOLVING THE USE OF WATER: (continued)

Removing, Repairing and Replacing Meters damaged due to negligence of the customer

- | | | |
|-----------------------|---------------------|---|
| - Meters of all sizes | - Repair Only | Cost of materials and labor.
The charge shall not exceed
the cost of a new meter. |
| | - Meter Replacement | Cost of a new meter, plus
\$24.00 |

Bad Check Charge

Should the Company receive a check (negotiable instrument) from a customer or an applicant for payment of a valid bill, deposit or other charge, as provided for in this tariff, and the check is returned due to the negligence of the customer, the Company may charge the customer or applicant a dishonored check charge of \$25.00

Turn-On Charge

At the request of the customer of seasonal requests when meter is not removed of for customer's convenience.

- | | |
|--------------------------------|---------|
| - During normal business hours | \$24.00 |
| - During non-business hours | \$42.00 |

Cross-Connection Inspection Charge

A charge of \$50.00 will be imposed for an inspection of each cross-connection device installed between the customer's well and the Company's water supply.

TERMS OF PAYMENT:

At least 15 days' time for payment of a valid bill shall be allowed after sending a bill.

TERM:

As required to meet the class of service rendered.

CONDITIONS:

Subject to "Standard Terms and Conditions"

Date of Issue: September 13, 2004

Effective: September 14, 2004

Issued by: Mark F. Strauss, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR03030222.

RATE SCHEDULE NO. 10
MULTI-USE SERVICE LINE

APPLICABILITY

The Company will provide an option to customers, upon request and where applicable, to use a “multi-use” service line per N.J.A.C. 14:9-8.3 et. seq.

“Multi-use service” means water service that is supplied to a structure through one water line extending from the water main to the structure, and which is used inside the structure for both domestic water service and fire suppression service.

Terms and Conditions not defined specifically below for Multi-Use services shall be the same as those under the STANDARD TERMS AND CONDITIONS.

RATES

Rates applicable to multi-use service are those found in the Company’s tariff Rate Schedules A-1 to A-10 as applicable.

TERMS OF PAYMENT

A water utility may terminate a customer’s multi-use service for non-payment of a valid water bill for multi-use service, in accordance with the Board’s rules governing discontinuance of service at N.J.A.C. 14:3-3A et seq.

CONDITIONS

By applying for multi-use service, the customer or builder certifies that:

The customer or builder has hydraulically calculated the demand for the customer’s or builder’s water system, based on the simultaneous domestic and fire sprinkler demand. The customer or builder shall make this calculation in accordance with the Uniform Construction Code; and

The customer or builder will ensure that the system is installed in accordance with the Uniform Construction Code at N.J.A.C. 5:23; and

The customer will, prior to installation of the meter, obtain a construction permit in accordance with the Uniform Construction Code from the enforcing agency having jurisdiction over the system.

(Continued)

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Issued by: Tim Davies, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

RATE SCHEDULE NO. 10
MULTI-USE SERVICE LINE (continued)

GENERAL TERMS AND CONDITIONS

By applying for multi-use service, the customer agrees to be responsible for all claims, costs and liability for personal injury, death and/or property damage, resulting from the customer's individual water system, unless caused by the negligence of the water utility.

All multi-use service lines shall be metered and the meter shall be located in a meter pit or vault located outside of the Customer's structure. The meter pit or vault shall be installed at a location acceptable to the express approval of the Water Company.

If a customer requests a change in meter size associated with a multi-service meter, the customer must re-apply for service and re-certify each item addressed in this Rate Schedule.

PROVISION OF SERVICES

By applying for multi-use service, and operating the same, the customer agrees:

To include a backflow prevention device(s) as defined at N.J.A.C. 7:10-1.3, and as specified at N.J.A.C. 7:10-10.3;

To be solely responsible for all costs and expenses relating to the installation, operation, maintenance, repair and replacement of the customer's water system, including the fire suppression system and backflow prevention device(s);

To ensure that the customer's water system complies with the applicable requirements of the Uniform Construction Code in effect at the time of system installation, including any applicable building, plumbing and fire protection sub-codes; and

To ensure that the customer's water system is maintained in accordance with all applicable law so as to protect against backflow, back-siphonage and contamination of the potable water system.

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Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

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RATE SCHEDULE NO.1 FOR ALL AREAS
IDENTIFIED AS COWS ON SHEET NO. 6

APPLICABILITY:

Applicable to all customers located in service areas noted as (A) on Sheet No. 6.

CHARACTER OF SERVICE:

Continuous (unmetered)

RATES:

<u>CLASS</u>	<u>RATE PER QUARTER</u>
3 BEDROOM AGE RESTRICTED	\$284.40
2 BEDROOM AGE RESTRICTED	276.11
DETACHED SINGLE FAMILY	322.75
1 BEDROOM TOWNHOUSE	271.14
2 BEDROOM TOWNHOUSE	284.40
3 BEDROOM TOWNHOUSE	322.75
3 BEDROOM TOWNHOUSE AGE RESTRICTED	284.40

TERMS OF PAYMENT:

At least 15 days' time for payment of a valid bill shall be allowed after sending a bill. The Company may discontinue service for non-payment of a valid bill provided it gives the customer at least 10 days written notice. The notice cannot be issued until after the expiration of the said 15-day period.

Date of Issue: May 14, 2009

Effective: May 14, 2010

Issued by: Tim Davies, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR08080550.

**RATE SCHEDULE NO. 2 FOR ALL AREAS
IDENTIFIED AS HOMESTEAD ON SHEET NO. 6**

APPLICABILITY:

Applicable to all customers located in service areas noted as (B) on Sheet No. 6.

CHARACTER OF SERVICE:

Continuous (unmetered)

RATES:

<u>CLASS</u>	<u>RATE PER QUARTER</u>
2 BEDROOM AGE RESTRICTED	\$213.09
DETACHED SINGLE FAMILY	213.09

TERMS OF PAYMENT:

At least 15 days' time for payment of a valid bill shall be allowed after sending a bill. The Company may discontinue service for non-payment of a valid bill provided it gives the customer at least 10 days written notice. The notice cannot be issued until after the expiration of the said 15-day period.

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Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR08080550.

RATE SCHEDULE NO.1 FOR ALL AREAS
IDENTIFIED AS COWS ON SHEET NO. 6

APPLICABILITY:

Applicable to all customers located in service areas noted as (A) on Sheet No. 6.

CHARACTER OF SERVICE:

Continuous (unmetered)

RATES:

<u>CLASS</u>	<u>RATE PER QUARTER</u>
3 BEDROOM AGE RESTRICTED	\$284.40
2 BEDROOM AGE RESTRICTED	276.11
DETACHED SINGLE FAMILY	359.64
1 BEDROOM TOWNHOUSE	271.14
2 BEDROOM TOWNHOUSE	284.40
3 BEDROOM TOWNHOUSE	359.64
3 BEDROOM TOWNHOUSE AGE RESTRICTED	284.40

TERMS OF PAYMENT:

At least 15 days' time for payment of a valid bill shall be allowed after sending a bill. The Company may discontinue service for non-payment of a valid bill provided it gives the customer at least 10 days written notice. The notice cannot be issued until after the expiration of the said 15-day period.

Date of Issue: May 14, 2009

Effective: May 14, 2011

Issued by: Tim Davies, President
Applied Wastewater Management, Inc.
2 Clerico Lane
Hillsborough, NJ 08844

Filed Pursuant to Order of the Board of Public Utilities in Docket No. WR08080550.

RATE SCHEDULE NO. 2 FOR ALL AREAS
IDENTIFIED AS HOMESTEAD ON SHEET NO. 6

APPLICABILITY:

Applicable to all customers located in service areas noted as (B) on Sheet No. 6.

CHARACTER OF SERVICE:

Continuous (unmetered)

RATES:

<u>CLASS</u>	<u>RATE PER QUARTER</u>
2 BEDROOM AGE RESTRICTED	\$237.50
DETACHED SINGLE FAMILY	237.50

TERMS OF PAYMENT:

At least 15 days' time for payment of a valid bill shall be allowed after sending a bill. The Company may discontinue service for non-payment of a valid bill provided it gives the customer at least 10 days written notice. The notice cannot be issued until after the expiration of the said 15-day period.

Date of Issue: May 14, 2009

Effective: May 14, 2011

Issued by: Tim Davies, President
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