

**REMARKS OF SEEMA M. SINGH, ESQ.  
DIRECTOR, DIVISION OF RATE COUNSEL  
DEPARTMENT OF THE PUBLIC ADVOCATE  
PRESENTED BY DEBRA F. ROBINSON,  
ASSISTANT DEPUTY PUBLIC ADVOCATE**

**In The Matter of the Petition of Wallkill Sewer Company  
For Authorization to Change the Level of its 2004 and 2005  
Purchased Sewerage Treatment Adjustment Clause  
BPU DOCKET NO. WR06090670  
OAL Docket No. PUCRA10644-06**

**PUBLIC HEARING  
January 31, 2007  
Wallkill Valley High School  
Hardystan Township, New Jersey  
6:00 p.m.**

Good evening, ladies and gentlemen, my name is Debra F. Robinson. I am an attorney representing the New Jersey Department of the Public Advocate, Division of Rate Counsel. The Division of Rate Counsel represents the interests of all utility customers, including residential, small business, commercial and industrial ratepayers. The Division of Rate Counsel is a party in every case where New Jersey utilities seek changes in their rates or services.

In order to effectively represent the public in utility rate cases, our office uses a team of lawyers, accountants, economists, and engineers to analyze requests for rate and service changes filed by companies who provide energy, water, and telecommunications services in New Jersey.

In this case, Wallkill Sewer Company (the “Company”) operates a sewage collection and transmission system. The Company provides services to approximately 276 customers in a portion of the Township of Hardyston, Sussex County. The Company purchases its sewerage treatment from the Sussex County Municipal Utilities Authority (“Authority”). The Company is seeking by way of Petition to the Board of Public Utilities to establish the 2004 and 2005 level of its Purchased Sewerage Treatment Adjustment Clause (“PSTAC”).

The Company is proposing to adjust the level of its PSTAC based on a net under recovery for 2004 in the amount of \$7,883 and a net over recovery for 2005 in the amount of \$19,947. The net over recovery combining 2004 and 2005 will result in a refund to customers. The Company proposes to issue a credit of \$38.30 to customers with interest. The refund will be in the form of a bill credit presented to each customer on the 1st Quarter 2007 bills. In addition, the Company is proposing a decrease to the average bill of a customer with a 5/8 inch meter from \$469.12 per year to \$440.56, a decrease of 6.08%. The Company also proposes a decrease in the average bill of a customer with a 3/4 inch meter from \$550.24 per year to \$521.68, a decrease of 5.19%; and a decrease in the average bill of a customer with a 1 inch meter from \$712.48 per year to \$683.92, a decrease of approximately 4.00%. It will result in a decrease in the average bill of a customer with a 3 inch meter from \$1523.68 per year to \$1,495.12, a decrease of 1.87%. The actual rates will be as approved by the Board of Public Utilities.

The Division of Rate Counsel is currently conducting a comprehensive examination of the Company’s Petition to verify the application of the PSTAC mechanism and to determine whether the Company’s calculations are accurate. For example, we have issued questions to the Company, seeking to discover detailed information regarding the charges from the Authority, the basis for the Company’s calculations and the manner in which the Company has applied the charges through the PSTAC. These are all factors to be considered when analyzing the Company’s Petition.

The Division of Rate Counsel has an attorney and an expert witness analyzing data from the Company to effectively examine the Petition. An evidentiary hearing will be scheduled in this matter before an Administrative Law Judge. At the evidentiary hearing we will cross-examine any witnesses that the Company might present, and submit expert testimony in support

of our own recommendations. However, it is important that you are aware that the Board of Public Utilities makes the ultimate decision regarding all rate modifications in New Jersey.

The purpose of this open public hearing is for you, the customer to voice your opinion, relate your experiences with the Company and offer comments about the Company's PSTAC and any service problems you may be experiencing. It is important that you express your views, because they will become part of the record on which the Administrative Law Judge and the Board of Public Utilities make their decisions. The Division of Rate Counsel also needs to hear your views in order to represent your interests in this legal process. We strongly encourage your participation, which will help us evaluate the Company's proposal and prepare for evidentiary hearings.

This public hearing is being transcribed and your comments will become part of the record. You will be instructed to give your name and address before you speak. I would like to reiterate the importance of your input so that the Division of Rate Counsel can have a clear record of your concerns and interests.

On behalf of the Division of Rate Counsel, I thank you for attending this public hearing.