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**Susan Gouveia**

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**From:** Lashway, Lisa  
**Sent:** Thursday, May 01, 2014 8:35 AM  
**To:** Rob Greenbaum; Mount Olive Township Council; Canning, Sean; Susan Gouveia  
**Subject:** FW: IMPORTANT ISSUES: Waste Water Service Charge, \$122.66 monthly flat rate, in Morris Chase Community, Mount Olive, NJ 07828 - Need your actions to report more customers as you build more houses

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PO Box 450  
Budd Lake, NJ 07828

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**From:** Jack Li [mailto:jackqli32@yahoo.com]  
**Sent:** Wednesday, April 30, 2014 8:00 PM  
**To:** David Fultz; Heather Fiore; heather.fiore@FSRresidential.com; morrischase-carriages@tollbrothersinc.com; morrisChase-carriages@tollbrothers.com; info@biggaierhoff.com; Canning, Sean; Lashway, Lisa; Dickson Douglas; matt.koczur@bpu.state.nj.us; customer.assistance@bpu.state.nj.us; Barbara Hadley; Matthew.koczur@bpu.state.nj.us  
**Cc:** richsellsnjhomes@gmail.com; rich@thetuckerteam.com; tucker@dougutucker.com; marty.eagan@martyeagan.com; Marty@martyeagan.com; sleepyhollowlady@aol.com  
**Subject:** Re: IMPORTANT ISSUES: Waste Water Service Charge, \$122.66 monthly flat rate, in Morris Chase Community, Mount Olive, NJ 07828 - Need your actions to report more customers as you build more houses

David Fultz (Project Manager of Tolls Brothers @ Morris Chase) and Heather Fiore (Morris Chase Community Manager) et al:

I still believe that you both should be able to help the residents in Morris Chase Community to reduce their Waste Water Charges (\$122.66 per months or more) by reporting the right number of customers. BPU's Rate Analyst, Matt Koczur, told me the rate was so HIGH was due to the customer base is too small and Morris Chase only has 195 customers, is this correct? Should you check into this and report the right numbers to BPU. Tolls Brothers is current building more and more NEW carriage and private homes in Morris Chase Community and sell the homes that you built here so you should have the number of customers who use the waste water

services at NJ American Water.. Thus, you should know the right number of customers who are using Waste Water Services from New Jersey American Water. The customer base is one factor and number of bedrooms is another factor. I still do not understand why the three bedroom townhouse/carriage home is equivalent to detached standalone single family home and pay the same in terms of waster water services. It simply does not make much sense !

Please work with Mount Olive Township and contact the BPU's Rate Analyst, Mr. Matt Koczur, at (609) 292 -2411 or (609) 292-0804 to report the actual number of customers (should be more than the current 195 customers a year ago to be used in his regulatory formula) to reduce the monthly flat rate of \$122.66 in a timely manner? Or we are waiting for another hearing on this?

Therefore, please work on this and do something about it....Thanks. We are not here to just pay Return on Investment (ROI) for NJ American Water !!!

Best Regards,  
Jack S. Li

On Monday, April 28, 2014 11:28 PM, Jack Li <[jackqli32@yahoo.com](mailto:jackqli32@yahoo.com)> wrote:

RE: Waste Water Service Charge, \$122.66 monthly flat rate, in Morris Chase Community, Mount Olive, NJ 07828 - Need your immediate actions to report more customers as you build more houses

49 Lamerson Circle, Budd Lake, NJ 07828

All/Heather Fiore,

Per our discussion last time concerning the HIGH monthly flat rate for Waste Water Services from New Jersey American Water, you asked me to contact the New Jersey American Water directly. In Fact, I have contacted New Jersey American Water (Mr. Tom Hoffman), Mount Oliver Municipal Office (an unknown lady), and Board of Public Utilities (BPU, Mr. Douglas Dickson, Division of Customer Assistance, and Mr. Matt Koczur (the Rate Analyst of Division of Water and Waste Water Services) as well as the New Jersey Better Business Bureau (BBB)

As a result, BPU told me the number of customers are too few in a total of 195 customers in the Morris Chase Community area that was the main reason why I have been charged this HIGH flat rate by New Jersey American Water for their Waste Water Services. In order to reduce the rate for the monthly flat rate for Waste Water Services, the Morris Chase Community needs to increase the number of customers to produce more waste water to reduce the overall Waste Water processing fees. Since the Morris Chase Community has kept building more and more NEW homes since I moved in August of 2013, should you kind to report to Mr. Matt Koczur of BPU at

(609) 292 -2411 or (609) 292-0804 the actual number of customers (should be more than the current 195 customers a year ago) to reduce the monthly flat rate of \$122.66 in a timely manner? The amount that I am paying the sawyer here in Morris Chase Community is three times more as where I originally moved from FREEHOLD Township in Monmouth County (one month in Morris Chase in Morris County is equivalent to three months/one quarter in Poet's Corner in Freehold Township in Monmouth County). That is a huge difference within the same state due to the number of customers. In addition, as I have learned, my three bedroom townhouse is equivalent to the standalone (detached) single family private home, which does not make much sense to me, but BPU approved the charge anyway.

Here are what New Jersey American Water Company's responses:

**Date Sent: 4/25/2014 7:06:23 AM:**

*Concerning the flat rate charged, the regulatory formula allows the company to earn a return on its investment that is providing utility service to its customers. In our last case the parties to the case, which included the BPU and Division of Rate Counsel, agreed the return should be 8.04% and the investment providing utility service to the Statewide Fixed customers was \$2,972,548. This would require a utility operating income of \$238,987 ( $\$2,972,548 \times 8.04\%$ ) compared to the actual \$176,988 we were earning, leaving a deficiency of \$61,999. This deficiency had to be grossed-up 1.79730 times to provide revenue and federal income taxes. The actual agreed to formula required a rate increase of \$111,432, ( $\$238,987 - \$176,988 \times 1.79730$ ) however, the final tariff design only allocated \$49,676 or a 2.32% increase to the Statewide Fixed customers. This results in the rate of \$122.66 currently being charged.*

**MESSAGE FROM NJ American Water on 4/23/2014:**

*Attempted to explain to customer that NJAW inherited the tariff from Applied Wastewater in September 2010 and that the rate had been previously set and approved by the BPU and was worked into the NJAW tariff during our last rate case in May 2012 when a 2.33% increase was applied and approved by the BPU leading to the current rate of \$122.66. The rates are set by considering cost of providing adequate service as well as an authorized return on company investment.*

Best Regards,  
Jack S. Li