NEW JERSEY
AMERICAN WATER

(c)

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RECEIVED
APR - 6 2015
Mount Olive Township Clerk's Office

cc: Admin atty. 4/7/15 [illegible]

March 31, 2015

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED

TO ALL: MUNICIPAL CLERKS, CLERKS OF THE BOARDS OF CHOSEN FREEHOLDERS, COUNTY EXECUTIVE OFFICERS, COUNTY ADMINISTRATORS AND SALE FOR RESALE CUSTOMERS

Re: IN THE MATTER OF THE PETITION OF NEW JERSEY-AMERICAN WATER COMPANY, INC. FOR APPROVAL OF INCREASED TARIFF RATES AND CHARGES FOR WATER AND SEWER SERVICE; CHANGE IN DEPRECIATION RATES AND OTHER TARIFF MODIFICATIONS
BPU Docket No. WR15010035
OAL Docket No. PUC-01166-2015N

Dear Sir/Madam:

Pursuant to N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12 (b), (c) and (d), enclosed herewith for service upon you are the following:

1. Notice of Filing of Proposed Rate-Increase and of Public Hearing; and

2. Board of Public Utilities' Suspension Order entered February 11, 2015.

Please note the dates, times and locations of the public hearings scheduled for this rate case application.

Very truly yours,

Frank X. Simpson

Frank X. Simpson

Enc.
SD:dlc

cc: Service list (via e-mail)
Hon. Barry E. Moscowitz, ALJ (via certified mail)
Kenneth Sheehan, Secretary of the BPU (via certified mail, RRR)
Department of Law & Public Safety (via certified mail, RRR)
Division of Rate Counsel (via certified mail, RRR)

NOTICE OF FILING OF
PROPOSED RATE INCREASE
AND PUBLIC HEARING

ALL PARTIES ARE INVITED TO ATTEND AND
PRESENT THEIR VIEWS

IN THE MATTER OF THE PETITION OF NEW JERSEY AMERICAN WATER COMPANY, INC. FOR APPROVAL OF INCREASED TARIFF RATES AND CHARGES FOR WATER AND SEWER SERVICE, CHANGE IN DEPRECIATION RATES, AND OTHER TARIFF MODIFICATIONS

BPU DOCKET NO. WR15010035
OAL DOCKET NO. PUC 01166-15

TO OUR CUSTOMERS:

Notice is hereby given that on January 9, 2015, New Jersey-American Water Company, Inc., (the "Company") filed with the Board of Public Utilities ("Board"), pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1, N.J.A.C. 14:1-5.7and N.J.A.C. 14:1-5.12, a petition ("Petition") seeking to increase rates for water and wastewater service and to change its depreciation rates and to implement other tariff revisions. These changes were proposed to become effective for service rendered on or after February 8, 2015, or at such later date as may be determined by the Board. Based on the Company's total projected operating revenues for the twelve months ending July 31, 2015, the new rates proposed herein will yield additional operating revenues of $66.2 million or 9.96%. The total projected operating revenues include the revenue currently being recovered through the Distribution System Improvement Charge ("DSIC") previously approved by this Board, and revenues recovered through the PWAC/PSTAC.

The actual percentage increase to specific customers will vary according to the applicable rate schedule and the level of the customer's usage. The rate changes proposed in the Petition will result in a rate increase for a typical residential customer with a 5/8-inch meter using 6,000 gallons of water per month of $5.16 or 9.89%. The typical commercial customer with a 1-inch meter using 20,000 gallons of water per month would receive an increase of $14.92 or 9.19%.

The following comparisons of average present and proposed rates will permit customers to determine the approximate net effect upon them of the proposed increases and adjustments in rates. Any assistance required by customers in this regard will be furnished by the Company

upon request. Complete information about the present and proposed rates for every class of customer is available on the Company's website at www.newjerseyamwater.com by first selecting Customer Service and then Rates Information. Please note that the Board, in its discretion, may apply all or any portion of whatever rate increase the Board may ultimately find just and reasonable to any class or classes of customers or to any rate schedule or schedules, or in a manner different than what the Company has proposed in its filing. Accordingly, the final rates and charges to be determined by the Board in this proceeding may be different than what the Company has described herein. General Metered Service or "GMS" rate information is presented as a range of rates. The range includes both a fixed service charge and a consumption charge based on an average of 6,000 gallons per month.

		Rates		Change	
Customer Class	**Usage**	**Current Bill**	**Proposed Bill**	**Amount**	**Percentage**
General Metered Service*	6,000 gal/mo.	$39.30 – $52.14	$47.08 – $57.30	$5.16 – $8.22	9.89% – 19.79% (an avg. of 11.78%)
Manasquan	Various	Various	Various	Various	6.38%
Optional Industrial Wholesale	Various	Various	Various	Various	22.12%
Sales for Resale – CD	Various	Various	Various	Various	0.36%
Sales for Resale – SOS	Various	Various	Various	Various	23.77%
Private Fire Protection	Various	Various	Various	Various	3.04%
Public Fire Protection	Various	Various	Various	Various	1.08%
Sewer**					-2.90%
Sewer – Ocean City, Lakewood, Adelphia	Rate Schedules 1-A - 3-B				0.00%
Tewksbury Twp	4-A				0.00% or Decrease
Former Applied	5-A - 8-A				0.00% or Decrease
Plumsted Twp.	10-A				Average Customer usage 0.00%

*Rates for GMS customers include Purchased Water Adjustment Clause (PWAC) approved by the Board under BPU Docket Number WR13111038 at $0.4810 per 1,000 gallons or $0.35979 per 100 cubic feet and include the Distribution System Improvement Charge approved by the Board under BPU Docket No. WR12070669.

**All sewer customers with the exception of Plumsted Township will see either no increase or a decrease. Plumsted customers using 3,000 gallons per month or less will see a decrease; those using 4,000 or more per month will see an increase.

In addition to actual rate changes, the Company is proposing other changes and additions to its Tariff, some of which would apply to all customers and others that would apply only to specified customers. These changes include, but are not limited to, changes to various rate schedules.

Notice of this filing is being served upon the clerk, executive or administrator of each municipality and county within the Company's service areas. Such notice has also been served, together with the Verified Petition, Tariffs, and all other exhibits, upon the Director of the

Division of Rate Counsel, who will represent the interests of ratepayers in this proceeding. Copies of the Verified Petition, Tariffs, and all other exhibits are available for inspection at the Company's office at 1025 Laurel Oak Road, Voorhees, NJ, and can also be found on the Company's website at www.newjerseyamwater.com by first selecting Customer Service and then Rates Information.

PLEASE TAKE FURTHER NOTICE that the New Jersey Office of Administrative Law (OAL) has scheduled public hearings for the purpose of receiving comments from the public regarding the Petition. Public hearings will be held at the following times and places:

April 21, 2015
2:00 PM
Ocean City Public Library
1735 Simpson Street
Ocean City, NJ 08226

April 21, 2015
6:00 PM
Westampton Municipal Building
710 Rancocas Road
Westampton, NJ 08060

April 22, 2015
2:00 PM
Howell Township Municipal Building
4567 Route 9 North
Howell, NJ 07731

April 23, 2015
7:00 PM
Mt. Olive Municipal Building
204 Flanders-Drakestown Road
Budd Lake, NJ 07828

The public is invited to attend and interested persons will be permitted to testify and/or make a statement of their views on the proposed increases. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreter, listening devices or mobility assistance, 48 hours prior to these hearings. In addition, members of the public may submit written comments concerning the Petition to the BPU and the OAL regardless of whether they attend a hearing by addressing them to: Written comments may be submitted to the Secretary of the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350, or the Clerk, Office of Administrative Law, P.O. Box 049, Trenton, New Jersey 08625-0049. Such written comments

should be identified with the heading "New Jersey American Water Company Rate Filing: Public Hearing," and include the BPU Docket Number WR15010035 and OAL Docket Number PUC 01166-15 and the name of the judge assigned to this case, the Honorable Barry E. Moscowitz, ALJ.

NEW JERSEY AMERICAN WATER COMPANY

BY: WILLIAM M. VARLEY
PRESIDENT
NEW JERSEY AMERICAN WATER COMPANY
1025 Laurel Oak Road
Voorhees, NJ 08043

Agenda Date: 2/11/15
Agenda Item: VA

STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

WATER

IN THE MATTER OF THE PETITION OF NEW JERSEY-AMERICAN WATER COMPANY, INC. FOR APPROVAL OF INCREASED TARIFF RATES AND CHARGES FOR WATER AND SEWER SERVICE, CHANGE IN DEPRECIATION RATES AND OTHER TARIFF MODIFICATIONS	)	ORDER SUSPENDING INCREASES, CHANGES OR ALTERATIONS IN RATES FOR SERVICE DOCKET NO. WR15010035

Parties of Record:

Ira G. Megdal, Esq. on behalf of New Jersey-American Water Company, Inc., Petitioner
Stefanie A. Brand, Esq., Director, on behalf of the Division of Rate Counsel

BY THE BOARD[1]:

On January 9, 2015, New Jersey-American Water Company ("Company" or "Petitioner"), a public utility of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities ("Board"), filed a Petition pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1[2], N.J.A.C. 14:1-5.7 and N.J.A.C. 14:1-5.12 seeking to increase rates for water and wastewater service. The combined proposed rates would increase the Company's annual revenues by $66.2 million or approximately 9.96% over pro-forma present rate revenues. Petitioner serves approximately 612,791 water and fire service customers, and approximately 35,987 sewer service customers, in all or part of 189 municipalities in 18 of the State's 21 counties. The increase in rates would become effective on February 8, 2015[3]. Petitioner does not seek interim rate relief pending final determination on the Petition.

According to the Petition, the rate increase is necessary: (a) for the Company: to finance essential and continuing plant investment; (b) earn a fair and adequate rate of return on its net investment in used and useful property; (c) establish rates which are sufficient, under efficient and economical operation, to maintain and support its financial integrity, and to raise such funds as may be necessary for the proper discharge of its public duties; (d) provide earnings sufficient

[1] Commissioners Richard S. Mroz and Upendra J. Chivukula recused themselves due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.
[2] The Board notes that although the petition cites N.J.S.A. 48:2-21.1, the petition does not include a request for an adjustment of rates during the pendency of the hearing.
[3] On January 14, 2015, the Company filed a letter with the Board stating that it will not implement rates on an interim basis prior to March 18, 2015.

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

It appearing that the proposed revisions will increase existing rates and change or alter existing classifications in Petitioner's tariff, it is **HEREBY ORDERED** that:

(1) Pursuant to N.J.S.A. 48:2-21, the proposed revisions be, and are, suspended until June 8, 2015, unless the Board, prior to that date, makes a determination disposing of the petition, or enters an Order further suspending the proposed revisions;

(2) Petitioner shall, at least ten (10) days prior to the date set for hearing on the petition by the Office of Administrative Law, file with the Board and with the Office of Administrative Law (33 Washington Street, Newark N.J. 07102), proof of compliance with the Notice provisions of N.J.S.A 48:2-32.2 and N.J.A.C. 14:1-5.12 (b) and (c), which Notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and

(3) Petitioner shall serve copies of this Order upon the Office of Administrative Law, Division of Rate Counsel (140 East Front Street, 4th Floor, Post Office Box 003, Trenton, NJ 08625-0003), the clerk of each affected municipality, the clerk of the Boards of Chosen Freeholders of each affected county and, where appropriate, the executive officer of each affected county within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously. Proof of service of this Order shall be filed with the Board within fifteen (15) days of the date of this Order.

This Order shall be effective on February 23, 2015.

DATED: 2/11/15

BOARD OF PUBLIC UTILITIES
BY:

JOSEPH L. FIORDALISO
COMMISSIONER

MARY-ANNA HOLDEN
COMMISSIONER

DIANNE SOLOMON
COMMISSIONER

ATTEST:

KENNETH J. SHEEHAN
SECRETARY

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

In the Matter of the Petition of New Jersey-American Water Company, Inc. for Approval of Increased Tariff Rates and Charges for Water and Sewer Service, Change in Depreciation Rates and Other Tariff Modifications - BPU Docket No. WR15010035

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