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Cl. Admin
Attn: Council
Fred Semran

STATE OF NEW JERSEY
Board of Public Utilities
44 So. Clinton Avenue-9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

Richard S. Mroz
President

Maria L. Moran
Director

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July 9, 2015

Joseph Nicastro, Council President
Michelle Masser, Deputy Township Clerk
Township of Mount Olive
PO Box 450
Budd Lake, New Jersey 07828

Re: Resolution opposing the Petition filed by New Jersey American Water Company, Inc. Seeking Approval of Increased Tariff Rates for Water and Sewer Service; Change in Depreciation Rates and other Tariff Modifications
BPU Docket No. WR15010035
OAL Docket No. PUC 01166-2015N
W # 26-15

Dear Council President Nicastro and Deputy Township Clerk Masser:

Thank you for forwarding the April 28, 2015 Resolution (Resolution) of the Township of Mount Olive (Township or Mount Olive) to the New Jersey Board of Public Utilities (Board). The Resolution is in opposition to the petition for a rate increase that was filed by New Jersey American Water Company (NJAW). NJAW provides water and wastewater service to portions of the Township. On May 27, 2015, NJAW filed a petition requesting authority to discontinue water service to Morris Chase/Morris Hunt developments in Mount Olive because the Township is exercising its option to transfer ownership and operation of the water system that serves Morris Chase/Hunt Valley from NJAW to the Township. The Board does not have jurisdiction municipal water systems. NJAW will continue to provide wastewater service to Morris Chase/Hunt Valley and the Board will continue to have jurisdiction over that service.

We understand the hardships that all residents of New Jersey face with respect to rising utility costs. Board Staff reviews all concerns when examining any petition for a rate increase especially during these difficult economic times. With that being said, there are principally two main concerns when reviewing a rate case: 1) to ensure that ratepayers receive safe, adequate and reliable service at the most reasonable rates, and 2) that the utility be given the opportunity to earn a fair rate of return on its investment. These two concerns are in fact mandated by statute.

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Michelle Masser, Deputy Township Clerk
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The proposed rates for any regulated utility, including NJAW, are reviewed during rate case filings by all parties involved in the case. This includes Board Staff, the Division of Rate Counsel, and any interveners. Rates for regulated utilities can only be revised during a formal proceeding before the Board. Be assured that Board Staff is currently in the process of reviewing and examining all aspects of the Company's current rate case filing to ensure the rates to be charged are the most reasonable in order for the Company to continue to provide safe, adequate and reliable utility service.

The statute also requires that one or more public hearings must be held in the service territory of the utility that is seeking the rate increase. These public hearings are presided over by an Administrative Law Judge and must be held before any decision is made by the Board. The public is encouraged to attend the public hearings and voice any concerns that they may have. Notices of the public hearings were published in newspapers such as The Daily Record and The Star-Ledger at least 20 days before the public hearing and were also be posted on the Company's website: <http://www.amwater.com/njaw/customer-service/rates-information.html>. One such hearing was held on April 23, 2015 at 7:00 PM in Mt. Olive, New Jersey. Members of the public spoke at the public hearing and expressed opposition to the proposed rate increase. Their comments and concerns were fully transcribed and made part of the official record for this proceeding.

Should you have any additional questions, please do not hesitate to contact Matthew Koczur of my staff at matthew.koczur@bpu.state.nj.us or (609) 292-0804.

Sincerely,



Maria L. Moran
Director