Agenda Date: 3/19/14 Agenda Item: 5A



# STATE OF NEW JERSEY

Board of Public Utilities 44 South Clinton Avenue, 9<sup>th</sup> 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 AUTHORIZATION TO CHANGE THE LEVELS OF ITS PURCHASED WATER ADJUSTMENT CLAUSE AND	) )	ORDER ADOPTING INITIAL DECISION/STIPULATION
PURCHASED WASTEWATER (SEWERAGE) TREATMENT ADJUSTMENT CLAUSE	)	BPU DOCKET NO. WR13111038 OAL DOCKET NO. PUC 17989-13

MATED

#### Parties of Record:

Robert J. Brabston, Esq., on behalf of New Jersey American Water Company, Inc., Petitioner Stefanie A. Brand, Esq., Director, on behalf of the Division of Rate Counsel Kenneth J. Quinn, Esq., on behalf of Middlesex Water Company, Intervener

#### BY THE BOARD:

On November 15, 2013, New Jersey American Water Company, Inc. ("Petitioner" or "Company"), a public utility of the State of New Jersey, filed a petition with the Board of Public Utilities ("Board") pursuant to N.J.A.C. 14:9-7.1 et seq. and 14:9-8.1 et seq., for approval to change the levels of its existing Purchased Water Adjustment Clause ("PWAC") charge and Purchased Wastewater (sewerage) Treatment Adjustment Clause ("PSTAC") charges, with respect to increased purchased water expense and increased purchased wastewater treatment expense. The total amount originally requested was an overall increase of \$4,483,878 or 0.69% above estimated total Company revenues of \$653,210,852. As a result of settlement discussions, the Petitioner, the Division of Rate Counsel ("Rate Counsel") Board Staff ("Staff") (collectively the "Signatory Parties") have agreed to a total overall stipulated increase of \$1,342,760 or 0.21% above total Company revenues of \$653,201,643.

Petitioner services approximately 605,000 general metered water customers and approximately 35,500 sewer customers in all or part of 188 municipalities in 18 of the State's 21 counties.

Petitioner purchases water on a routine basis from twelve separate entities and purchases wastewater treatment services from three separate entities, each of which adjusts its rates for service, and, in the case of wastewater treatment service providers, issues sewerage deficit/credit adjustments, at different times throughout the year. The twelve water purveyors

are: Passaic Valley Water Commission; Morris County Municipal Utilities Authority; Montclair Water Bureau; Shorelands Water Company; New Jersey Water Supply Authority; Atlantic City Municipal Utilities Authority; City of Wildwood; Borough of Seaside Heights; City of Newark; Township of Maple Shade; East Windsor Municipal Utilities Authority; and Marlboro Township Municipal Utilities Authority. The three sewerage treatment purveyors are: Cape May County Municipal Utilities Authority for the Petitioner's Ocean City Sewer tariff group; Ocean County Utilities Authority for the Petitioner's Lakewood Sewer tariff group; and Howell Township for the Petitioner's Adelphia Sewer tariff group.

In In the Matter of New Jersey American Water Company, Elizabethtown Water Company, and Mount Holly Water Company (Docket No. WR06030257, April 2, 2007), the Board ordered that all purchased water costs and purchased wastewater treatment costs be removed from base rates and recovered through the PWAC and PSTAC as applicable. In the petition filed within the instant proceeding, Petitioner proposed to increase its PWAC rate in PWAC Rate Schedule O-1 from \$0.4368 per thousand gallons of water to \$0.4810 per thousand gallons of water for Non-Exempt customers. Petitioner proposed to increase its PWAC rate from \$0.3767 per thousand gallons of water to \$0.4148 per thousand gallons for Exempt customers. It also proposed to address its PSTAC charges as follows:

For customers in Lakewood Township, Ocean County, the rate per thousand gallons of prior year's winter water quarter usage (January, February and March meter readings) as reflected in PSTAC Rate Schedule 2-B, would increase from \$3.7037 per thousand gallons to \$4.0035 per thousand gallons.

For customers in Ocean City, Cape May County, the rate per thousand gallons of prior year's summer water quarter usage (July, August and September meter readings) as reflected in PSTAC Rate Schedule 1-B, would increase from \$24.2983 per thousand gallons to \$25.5426 per thousand gallons.

For customers in the Adelphia section of Howell Township, Monmouth County, the rate per thousand gallons of water as reflected in PSTAC Rate Schedule 3-B, would increase from \$6.033 per thousand gallons to \$6.7920 per thousand gallons.

# BACKGROUND/PROCEDURAL HISTORY

This matter was transmitted to the Office of Administrative Law ("OAL") on November 21, 2013, as a contested case and was assigned to Administrative Law Judge ("ALJ") Elia A. Pelios. A telephonic prehearing conference was held on January 27, 2014, with ALJ Pelios during which, among other things, the ALJ directed that public hearings be held on this matter.

On November 12, 2013, Middlesex Water Company (Middlesex) filed a motion to intervene in the instant proceeding. On February 20, 2013, the motion was granted by ALJ Pelios. After proper notice, four public hearings were held in following locations in Petitioner's service area: in Howell Township on February 12, 2014 at 6:00 p.m.; in Ocean City on February 11, 2014 at 2:00 p.m.; in Maplewood on February 12, 2014 at 2:00 p.m.; in Westhampton on February 11, 2013 at 6:00 p.m. No member of the public appeared at the Westampton, Maplewood or Howell public hearings. Ten (10) members of the public attended the Ocean City public hearing, which had public testimony on the record. The Company will be scheduled a follow-up meeting in the

Spring, with the Ocean City Utility Advisory Board, to address all of the questions asked at the Ocean City Public Hearing.

Subsequent to the public hearings, the Petitioner, Rate Counsel, Staff and Middlesex engaged in settlement negotiations. On February 28, 2014, the Signatory Parties entered into a Stipulation of Settlement ("Stipulation). The intervener, Middlesex, submitted a letter to ALJ Pelios, on February 25, 2014, stating that it had no objection to the Stipulation.

On March 10, 2014 ALJ Pelios issued his Initial Decision recommending adoption of the Stipulation executed by the Signatory Parties, finding that they had voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues and is consistent with the law.

# DISCUSSIONS AND FINDINGS<sup>1</sup>

The Signatory Parties recommend that the Board approve a change to Petitioner's PWAC rate on PWAC Rate Schedule O-1 from \$0.4368 per thousand gallons of water for Non-Exempt customers to \$0.4525 per thousand gallons of water for Non-Exempt customers and from \$0.3767 per thousand gallons of water for Exempt customers to \$0.3902 per thousand gallons of water for Exempt customers.

The Signatory Parties further recommend that the Board permit Petitioner to change its effective PSTAC charges as follows (including the effects of rate compression):

For Lakewood Township, Ocean County, the rate per thousand gallons of prior year's winter quarter as reflected within PSTAC Rate Schedule 2-B will decrease from \$3.7037 per thousand gallons to \$3.7965 per thousand gallons.

For customers in Ocean City, Cape May County, the rate per thousand gallons of prior year's summer water quarter usage (July, August and September meter readings) as reflected upon PSTAC Rate Schedule 1-B, will decrease from \$24.2983 per thousand gallons to \$24.0083 per thousand gallons.

For customers in the Adelphia section of Howell Township, Monmouth County, the rate per thousand gallons of water as reflected upon PSTAC Rate Schedule 3-B, will increase from \$6.0933 per thousand gallons to \$6.4594 per thousand gallons.

<sup>&</sup>lt;sup>1</sup> Although described in this Order at some length, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions in this Order.

The effective PWAC rate change would result in an increase in the annual bill of an average residential customer utilizing 6,500 gallons per month as follows:

	Present Monthly Bill	Proposed Per month	Amount Increase	Percentage <u>Increase</u>
SA-1	\$52.05	<b>\$52.15</b>	\$0.10	0.19%
SA-1B Pennsgrove	\$38.28	\$38.38	\$0.10	0.26%
SA-1D	\$45.69	\$45.68	\$0.10	0.22%
SA-2, SA-3 & SA-1A	\$49.51	\$49.51	\$0.11	0.22%
SA-2 Manville	\$45.08	\$46.08	\$0.10	0.22%
SA-3 Southampton	\$42.67	\$42.67	\$0.10	0.23%

The PSTAC rate changes will result in: (a) an increase for a typical residential sewer service customer in Lakewood Township, Ocean County utilizing 18,000 gallons of water in the winter quarter of \$0.56 per month or 0.97%; (b) a decrease to an average sewer service customer in Ocean City, Cape May County utilizing 20,000 gallons in the summer quarter and 44,000 gallons of water per year of (\$0.48) per month or (0.73%); and (c) an increase to an average sewer service customer in the Adelphia section of Howell Township, Monmouth County utilizing 48,000 gallons of water per year, of \$1.47 per month or 2.28%.

These PWAC and PSTAC rates are calculated as being effective April 1, 2014.

The Parties have agreed on a methodology for calculating the amount of interest to be applied to over-recoveries within the PWAC. This method is described as follows: Total PWAC True-up balance (Over)/Under-recovered (which is the adjusted total purchased water expense minus total PWAC revenues net of cost recoveries for the current month) of the current month, plus the total PWAC cumulative true-up balance (Over)/under recovery) of the prior month, minus the amortization of the PWAC true-up from the previous PWAC year of the current month. The Parties agree to review this methodology and adjust it as necessary and appropriate in future PWAC proceedings.

Having reviewed the Initial Decision and the Stipulation of Settlement, the Board <u>HEREBY FINDS</u> that the Signatory Parties have voluntarily agreed to the Stipulation, and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. The Board <u>FURTHER FINDS</u> the Initial Decision, which adopts the Stipulation to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board <u>HEREBY ADOPTS</u> the Initial Decision and the Stipulation, attached hereto, including all attachments and schedules, as its own, incorporating by reference the terms and conditions of the Stipulation, as if they were fully set forth at length herein, subject to the following:

In accordance with the provisions of N.J.A.C. 14:9-7.3 (c) and 14:9-8.3 (c), the Petitioner shall file with the Board, no later than 45 days after the adjustment clause has been in effect for one year, a PWAC true-up schedule in connection with this proceeding. Copies of the true-up schedule shall be served upon all parties to the present proceeding.

The Board <u>HEREBY ACCEPTS</u> the tariff pages attached to the Stipulation as filed with the Board, to be effective on April 1, 2014.

The effective date of this Order is April 1, 2014.

DATED: 3/19/2014

**BOARD OF PUBLIC UTILITIES** BY:

**PRESIDENT** 

OMMISSIONER

COMMISSIONER

ATTEST:

**SECRETARY** 

In the Matter of the Petition of New Jersey American Water Company, Inc. for Authorization to Change the Levels of its Purchased Water Adjustment Clause and Purchased Wastewater (Sewerage) Treatment Adjustment Clause

BPU DOCKET NO. WR13111038

OAL DOCKET NO. PUC 17989-13

### SERVICE LIST

Robert J. Brabston, Esq. New Jersey American Water Company, Inc. 167 J.F. Kennedy Parkway Short Hills, NJ 07078

Kenneth J. Quinn, Esq. Middlesex Water Company 1500 Ronson Road Iselin, NJ 08850

Stefanie A. Brand Esq., Director Division of Rate Counsel 140 East Front Street 4th Floor Post Office Box 003 Trenton, NJ 08625-0003

Debra Robinson, Esq.
Division of Rate Counsel
The Division of Rate Counsel
140 East Front Street 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Susan McClure, Esq. Division of Rate Counsel The Division of Rate Counsel 140 East Front Street 4th Floor Post Office Box 003 Trenton, NJ 08625-0003

Geoffrey Gersten, DAG
Department of Law and Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Alex Moreau, DAG
Department of Law and Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Jennifer Hsia, DAG
Department of Law and Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Maria Moran, Director Board of Public Utilities Division of Water 44 South Clinton Avenue, 9<sup>th</sup> Floor Post Office Box 350 Trenton, NJ 08625-0350

Michael Kammer, Bureau Chief Board of Public Utilities Division of Water 44 South Clinton Avenue, 9<sup>th</sup> Floor Post Office Box 350 Trenton, NJ 08625-0350

Kofi Ocansey, Administrative Analyst II Board of Public Utilities Division of Water 44 South Clinton Avenue, 9<sup>th</sup> Floor Post Office Box 350 Trenton, NJ 08625-0350

Matthew Koczur, Administrative Analyst II Board of Public Utilities Division of Water 44 South Clinton Avenue, 9<sup>th</sup> Floor Post Office Box 350 Trenton, NJ 08625-0350

# REC'D 2014 MAR 10 PM 1 51



# State of New Jersey OFFICE OF ADMINISTRATIVE LAW

NJ BPU CASE MANAGEMENT

# INITIAL DECISION SETTLEMENT

OAL DKT. NO. PUC 17989-13 AGENCY DKT. NO. WR13111038

I/M/O NEW JERSEY AMERICAN WATER COMPANY, INC. FOR AUTHORIZATION TO CHANGE THE LEVELS OF ITS PURCHASED WATER ADJUSTMENTS CLAUSE ("PWAC") AND PURCHASED SEWERAGE TREATMENT ADJUSTMENT CLAUSE ("PSTAC").

Robert J. Brabston, Esq., for petitioner (New Jersey American Water Company,

Alex Moreau, Deputy Attorney General, for respondent (Jeffrey S. Chiesa, Attorney General of New Jersey, attorney)

Susan E. McClure, Assistant Deputy Rate Counsel, for Division of Rate Counsel, appearing pursuant to N.J.A.C. 1:1-5.4(a)2

Kenneth J. Quinn, Esq., for intervenor, Middlesex Water Company

Record Closed: March 5, 2014 Decided: March 5, 2014

'n

Inc.)

# BEFORE ELIA A. PELIOS, ALJ:

This proceeding involves a petition by New Jersey American Water Company, Inc., for approval of a purchased water adjustment clause and purchased sewerage treatment adjustment clause. The petition was transmitted to the Office of Administrative Law on December 17, 2013, for determination as a contested case. Duly noticed public hearings were held in Ocean City, New Jersey, and Westampton Township, New Jersey on February 11, 2014, and in Howell, New Jersey, and Maplewood, New Jersey, on February 12, 2014. Ten members of the public appeared on February 11, 2014, in Ocean City, with public testimony provided on the record. No members of the public appeared in Maplewood, Freehold or Westampton. No written comments were submitted by the public.

The parties filed on February 28, 2014, a Stipulation of Settlement (J-1) which resolves all issues in this proceeding. Said Stipulation of Settlement has been signed by all parties, indicates the terms of settlement, and is attached and fully incorporated herein.

A motion to intervene was filed on behalf of Middlesex Water Company on November 12, 2013. No opposition was filed and the motion is hereby **GRANTED**. Middlesex Water Company has conveyed that it does not object to the stipulation (I-1).

# I have reviewed the terms of settlement and I FIND:

- The parties have voluntarily agreed to the settlement as evidenced by their signatures or their representatives' signatures on the attached document.
- 2. The settlement fully disposes of all issues in controversy between the parties and is consistent with the law.



Robert J. Brabston Corporate Counsel 167 J.F. Kennedy Parkway Short Hills, NJ 07078 P 973.564.5716 F 973.564.5708

Robert.Brabston@amwater.com

February 28, 2014

### Via Email, Facsimile and Regular Mail

Hon. Elia A. Pelios, ALJ Office of Administrative Law 9 Quakerbridge Plaza P.O. Box 049 Trenton, New Jersey 08625-0049

Re:

I/M/O the Petition of New Jersey American Water Company, Inc. to Change the Levels of its Purchased Water Adjustment Clause and Purchased Wastewater

(Sewerage) Treatment Adjustment Clause

BPU Docket No. WR13111038 OAL DOCKET NO. PUC 17989-13

Dear Judge Pelios:

Attached to this letter is the signed stipulation, representing the parties' settlement of the above-captioned matter. Earlier this week, Middlesex Water Company submitted a letter indicating they have no objection to this matter proceeding by way of the attached settlement.

Thank you for your attention to and handling of this matter. Please do not hesitate to call if there are any questions about this matter.

Very truly yours,

/s/ Robert J. Brabston

Robert J. Brabston

**RJB** 

cc: Service list (via e-mail)

# STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF : BPU DOCKET NO. WR13111038

NEW JERSEY-AMERICAN WATER

COMPANY, INC. FOR APPROVAL TO : OAL DOCKET NO. PUC 1989-2013

CHANGE THE LEVEL OF ITS PURCHASED :

WATER ADJUSTMENT CLAUSE AND : PURCHASED WASTEWATER (SEWERAGE) :

TREATMENT ADJUSTMENT CLAUSE STIPULATION OF SETTLEMENT

### APPEARANCES:

Robert J. Brabston, Esq., on behalf of New Jersey-American Water Company, Inc., Petitioner;

Alex Moreau and Jennifer Hsia, Deputy Attorneys General, on behalf of the Staff of the Board of Public Utilities (John J. Hoffman, Acting Attorney General of New Jersey);

Susan E. McClure, Assistant Deputy Rate Counsel, on behalf of the Division of Rate Counsel; and

Kenneth J. Quinn, Esq., on behalf of Middlesex Water Company, Intervenor

# TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

On November 15, 2013, New Jersey-American Water Company, Inc. ("Petitioner"), a public utility of the State of New Jersey, filed a Petition with the Board of Public Utilities ("Board") pursuant to N.J.A.C. 14:9-7.1 et seq. and 14:9-8.1 et seq., for approval to change the levels of its existing purchased water adjustment clause ("PWAC") charge and purchased wastewater (sewerage) treatment adjustment clause ("PSTAC") charges, with respect to increased purchased water expense and increased purchased wastewater treatment expense. The total amount originally requested was an increase of \$4,483,878 or 0.69% above total Company revenues of \$653,210,852. As a result of settlement discussions, the Signatory Parties indicated

below have agreed to a total overall stipulated increase of \$1,342,760 or 0.21% above total Company revenues of \$653,201,643.

Petitioner purchases water on a routine basis from twelve separate entities and purchases wastewater treatment services from three separate entities, each of which adjusts its rates for service, and, in the case of wastewater treatment service providers, issues sewerage deficit/credit adjustments, at different times throughout the year. The twelve water purveyors are: Passaic Valley Water Commission; Morris County Municipal Utilities Authority; Montclair Water Bureau; Shorelands Water Company; New Jersey Water Supply Authority; Atlantic City Municipal Utilities Authority; City of Wildwood; Borough of Seaside Heights; City of Newark; Township of Maple Shade; East Windsor Municipal Utilities Authority; and Marlboro Township Municipal Utilities Authority. The three sewerage treatment purveyors are: Cape May County Municipal Utilities Authority for the Petitioner's Ocean City Sewer tariff group; Ocean County Utilities Authority for the Petitioner's Lakewood Sewer tariff group; and Howell Township for the Petitioner's Adelphia Sewer tariff group.

In Docket No. WR06030257 (April 2, 2007), the Board ordered that all purchased water costs and purchased wastewater treatment costs be removed from base rates and recovered through the PWAC and PSTAC as applicable. In the Petition filed within the instant proceeding, Petitioner proposed to increase its PWAC rate upon PWAC Rate Schedule O-1 from \$0.4368 per thousand gallons of water to \$0.4810 per thousand gallons of water for Non-Exempt customers. Petitioner proposed to increase its PWAC rate from \$0.3767 per thousand gallons of water to \$0.4148 per thousand gallons for Exempt customers. It also proposed to address its PSTAC charges as follows:

For Lakewood Township, Ocean County, the rate per thousand gallons of prior year's winter quarter usage (January, February and March meter

- readings) as reflected upon PSTAC Rate Schedule 2-B, would change from \$3.7037 per thousand gallons to \$4.0035 per thousand gallons.
- For customers in Ocean City, Cape May County, the rate per thousand gallons of prior year's summer water quarter usage (July, August and September meter readings) as reflected upon PSTAC Rate Schedule 1-B, would change from \$24.2983 per thousand gallons to \$25.5426 per thousand gallons.
- For customers in the Adelphia section of Howell Township, Monmouth County, the rate per thousand gallons of water as reflected upon PSTAC Rate Schedule 3-B, would change from \$6.033 per thousand gallons to \$6.7920 per thousand gallons.

The Board transmitted this matter to the Office of Administrative Law (the "OAL") as a contested case. A telephonic prehearing conference was held with the Honorable Elia A. Pelios, Administrative Law Judge, during which, among other things, Judge Pelios directed that public hearings be held on this matter.

On November 12, 2013, Middlesex Water Company ("Middlesex") filed a motion to intervene in the instant proceeding. On January 27, 2014, during the telephonic prehearing conference, no party opposed Middlesex's motion and Judge Pelios indicated that the motion would be granted. Middlesex has been included on the service list, received all discovery, and participated in all conferences and meetings. Four public hearings were held in Petitioner's service area: in Howell Township on February 12 at 6 p.m. (no public attendees); Ocean City on February 11 at 2 p.m. (ten public attendees); Maplewood on February 12 at 2 p.m. (no public attendees); and Westampton on February 11 at 6 p.m. (no public attendees). The Ocean City hearing had public testimony on the record, and the Company is scheduling a follow-up meeting later in the spring with the Ocean City Utility Advisory Board to address all of the questions asked at the Ocean City public hearing.

The Division of Rate Counsel ("Rate Counsel") and Board Staff served interrogatories on Petitioner, which were responded to in full by Petitioner. Petitioner, Board Staff, and Rate Counsel ("Signatory Parties") and Middlesex participated in a discovery/settlement conference on February 24, 2014, after the public hearings had been held and public comment received into the record for consideration by all parties. As a result of discovery conducted and of the negotiations, the Signatory Parties have been able to reach agreement on this matter, the provisions of which are set forth below.

### SETTLEMENT AGREEMENT

- 1. The Signatory Parties recommend that the Board approve a change to Petitioner's PWAC rate on PWAC Rate Schedule O-1 from \$0.4368 per thousand gallons of water for Non-Exempt customers to \$0.4525 per thousand gallons of water for Non-Exempt customers and from \$0.3767 per thousand gallons of water for Exempt customers to \$0.3902 per thousand gallons of water for Exempt customers.
- 2. The Signatory Parties further recommend that the Board permit Petitioner to change its effective PSTAC charges as follows:
  - For Lakewood Township, Ocean County, the rate per thousand gallons of prior year's winter quarter as reflected within PSTAC Rate Schedule 2-B will change from \$3.7037 per thousand gallons to \$3.7965 per thousand gallons.
  - For customers in Ocean City, Cape May County, the rate per thousand gallons of prior year's summer water quarter usage (July, August and September meter readings) as reflected upon PSTAC Rate Schedule 1-B, will change from \$24.2983 per thousand gallons to \$24.0083 per thousand gallons.
  - For customers in the Adelphia section of Howell Township, Monmouth County, the rate per thousand gallons of water as reflected upon PSTAC Rate Schedule 3-B, will change from \$6.0933 per thousand gallons to \$6.4594 per thousand gallons.

3. The effective PWAC rate change would result in an increase in the annual bill of an average residential customer utilizing 6,500 gallons per month as follows:

	Present Monthly Bill	Proposed Per Month	Amount Increase	Percentage Increase
SA-1	\$52.05	\$52.15	\$0.10	0.19%
SA-1B Pennsgrove	\$38.28	\$38,38	\$0.10	0.26%
SA-1D	\$45.58	\$45.68	\$0.10	0.22%
SA-2, SA-3 & SA1A	\$49.40	\$49.51	\$0.11	0.22%
SA-2 Manville	\$45.98	\$46.08	\$0.10	0.22%
SA-3 Southampton	\$42.57	\$42.67	\$0.10	0.23%

- 4. The PSTAC rate changes, will result in: an increase for a typical residential sewer service customer in Lakewood Township, Ocean County utilizing 18,000 gallons of water in the winter quarter, of \$0.56 per month or 0.97%; a decrease to an average sewer service customer in Ocean City, Cape May County utilizing 20,000 gallons in the summer quarter and 44,000 gallons of water per year, of (\$0.48) per month or (0.73%); and an increase to an average sewer service customer in the Adelphia section of Howell Township, Monmouth County utilizing 48,000 gallons of water per year, of \$1.47 per month or 2.82%.
  - 5. These PWAC and PSTAC rates are calculated as being effective April 1, 2014.
- NJAWC plans to file its 2014 PWAC/PSTAC petition on or before November 15,
   2014.
- 7. Within this Stipulation, the Signatory Parties have agreed on a methodology for calculating the amount of interest to be applied to over-recoveries within the PWAC. This method is described as follows: Total PWAC True-up balance (Over)/Under-recovered (which is the adjusted total purchased water expense minus total PWAC revenues net of cost recoveries for the current month) of the current month, plus the total PWAC cumulative true-up balance

(Over)/under recovery) of the prior month, minus the amortization of the PWAC true-up from the previous PWAC year of the current month. By way of example of this methodology, see Note 5, Schedule DMD-2, attached to this Stipulation. The Signatory Parties agree to review this methodology and adjust it as necessary and appropriate in future PWAC proceedings.

- 8. The PWAC/PSTAC rates established herein will increase annual revenues by \$1,342,760 or 0.21%.
- 9. In accordance with the provisions of N.J.A.C. 14:9-7.3(c) and 14:9-8.3(c), the Petitioner shall file with the Board, not later than 45 days after the adjustment clauses have been in effect for one year, PWAC and PSTAC true-up schedules in connection with this proceeding. Copies of the true-up schedules will be served upon Board Staff and Rate Counsel.
- 10. This Stipulation shall be binding on the Signatory Parties to this proceeding upon approval hereof by the Board. This Stipulation shall bind the Signatory Parties in this matter only and shall not be considered precedential in any other proceeding involving the Signatory Parties hereto.
- 11. This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the Signatory Parties individually and jointly state that they would not have signed the Stipulation had any term been modified in any way. In the event that any modifications whatsoever are made to this Stipulation, each of the Signatory Parties hereto is entitled to certain procedures in the event of such occurrence.
- 12. If any modification is made to the terms of this Stipulation, the Signatory Parties must be given the right to be placed in the position in which each Signatory Party was before this Stipulation was executed. It is essential that each Signatory Party be given the option either to

modify its own position, to accept the proposed change(s) or to resume the proceeding as if no agreement had been reached.

- 13. The Signatory Parties believe that these procedures are fair to all concerned and, therefore, they are made an integral and essential element of this Stipulation.
- 14. This Stipulation may be executed in as many counterparts as there are signatories to this Stipulation, each of which counterpart shall be an original, but all of which shall constitute one and the same instrument.
- 15. On February 25, 2014, Middlesex filed a letter with the OAL indicating that it did not object to the Stipulation.

# STEFANIE A. BRAND, DIRECTOR **DIVISION OF RATE COUNSEL**

Susan E. McClure

Assistant Deputy Rate Counsel

**NEW JERSEY-AMERICAN WATER** COMPANY, INC.

JOHN J. HOFFMAN ACTING ATTORNEY GENERAL OF NEW JERSEY Attorney for the Staff of the Board of Public Utilities

Deputy Attorney General

Tenth Revised Sheet: No. 81 Superseding Ninth Revised Sheet: No. 81

# RATE SCHEDULE 1-A GENERAL METERED SERVICE

#### **APPLICABILITY**

Applicable for general residential, commercial, industrial and municipal wastewater service in the City of Ocean City. The charge for wastewater service shall consist of the total of the Minimum Service Charge, the Sewer Usage Charge and the Purchased Wastewater Treatment Adjustment Clause (PSTAC) Charge, as defined under the Standard Terms and Conditions in this tariff. The PSTAC charge is included within the Minimum Service Charge rates reflected below.

#### CHARACTER OF SERVICE

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

#### MINIMUM SERVICE CHARGE

All wastewater service customers shall pay a Minimum Service Charge in addition to the Sewer Usage Charge, if any, of \$26.26387 times the number of CCF (hundred cubic feet) or \$35.1121 times the number of thousand gallons of water usage at that property during the prior summer quarter, but in no case less than \$262.64 for non-exempt customers. Exempt charges are \$25.15381 per CCF or \$33.6281 per thousand gallons, but in no case less than \$261.54. Included within the Minimum Service Charges are \$17.95821 per CCF or \$24.0083 per thousand gallons for the PSTAC. On a percentage basis, the PSTAC represents 68.3762% (\$24.0083 / \$35.1121) non-exempt or 71.3937% (\$24.0083 / \$33.6281) exempt, of the Minimum Service Charge. Summer quarter consumption shall be determined based on an initial meter reading taken in June with the concluding meter reading taken approximately 90 days thereafter in September.

#### SEWER USAGE CHARGE

The volume of sewer use is assumed to equal water meter registration. Charges shall be based on water consumption as indicated by water meter readings on a monthly or quarterly basis at the option of the Company.

	Gallons <u>Per Month</u>	Gallons Per Quarter	Rate Per 100 Gallons	Rate Per 1,000 Gallons
Non-Exempt	All	All	\$0,18698	\$1.8698
Exempt	All	All	\$0.16199	\$1.6199
	Cubic Feet	Cubic Feet	Rate	Rate
	Per Month	Per Quarter	Per 10 Cubic Feet	Per 100 Cubic Feet
Non -Exempt	All	All	\$0.139861	\$1.39861
Exempt	All	All	\$0.121169	\$1.21169

#### **TERMS OF PAYMENT**

The following plan for payment of the Minimum Service Charge is offered as a convenience to our customers and does not relieve the customer of the liability to pay the entire Minimum Service Charge if wastewater service is rendered for only a portion of the year.

For monthly billed customers, one-twelfth of the Minimum Service Charge shall be due and payable upon receipt of the regular bill for wastewater service. For quarterly billed customers, one-third of the Minimum Service Charge shall be due and payable upon receipt of the March billing, the June billing and the September billing for wastewater service.

If the Company determines by application of the following criteria that the customer's past record of payments does not warrant application of this payment plan, the Company may require payment of the entire service charge at one time rather than in installments.

- If a customer has been terminated at least once in the past two years for non-payment of a bill for wastewater service; or,
- 2. If a customer receives three (3) Final Reminder Notices during a twelve month period.

In addition, in the case of a reactivated account, the customer will be required to pay any installment(s) which would have been billed if the account had been active as of January 1. A new account will be required to pay a pro-rate share of the Minimum Service Charge based on the period of service to be rendered during that year.

Usage charges based upon meter readings shall be billed in monthly in arrears (or quarterly at the option of the Company).

Valid bills for service furnished under this schedule are due fifteen (15) days from the date of the postmark on the envelope in which the bill was transmitted. All bills shall list a due date.

Issued: April 1, 2014

Effective: April 1, 2014

Eleventh Revised Sheet: No. 65 Superseding Tenth Revised Sheet: No. 65

# RATE SCHEDULE 0-1 PURCHASED WATER ADJUSTMENT CLAUSE (PWAC)

#### **APPLICABILITY**

Applicable to all Metered Water Customer classes served by the Company in all service areas for water service, except for Manasquan Uninterruptible Service. The PWAC charge, as defined under the Standard Terms and Conditions of this tariff, is designed to recover the cost of purchased water associated with the normal operations of the Company and allow the Company to achieve a zero or near-zero deferred balance each April 1st on its purchased water costs.

#### **CHARACTER OF SERVICE**

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

#### PURCHASED WATER ADJUSTMENT CLAUSE (PWAC) CHARGE

In addition to all other charges for metered service, the following charges per one hundred gallons, per one thousand gallons, per 10 cubic feet and per 100 cubic feet for all sales will be made to recover purchased water costs not included in the Water Charge or any other Charge:

	Gallons <u>Per Month</u>	Gallons Per Quarter	Rate Per 100 Gallons	Rate Per 1,000 Gallons
Non-Exempt	All	All	\$0.04525	\$0.4525
Exempt	All	Ail	\$0.03902	\$0.3902
	Cubic Feet	Cubic Feet	Rate	Rate
Non -Exempt	<u>Per Month</u> All	<u>Per Quarter</u> All	Per 10 Cubic Feet \$0.033847	Per 100 Cubic Feet \$0.33847
Exempt	All	All	\$0.033847	\$0.33647 \$0.29187

The PWAC Charge is also applicable to any difference between the quantity of water actually purchased by the customer and any applicable take-or-pay commitment.

#### **FILING**

The Company shall endeavor to make an annual PWAC filing no later than December 1<sup>st</sup> of each year proposing a PWAC rate to be effective on or about the following April 1<sup>st</sup>.

The notice of filing and of public hearing in the annual PWAC proceedings shall include the specific rate change proposed to be implemented on April 1<sup>st</sup>. The notice shall also include the impact of such potential increases on a benchmark bill.

The annual PWAC filing shall contain, but not be limited to, the following:

- A reconciliation of actual versus estimated costs and revenues from the last Board approved PWAC charge for purchased water;
- 2. Projected rates supported by projected volumes, revenues, and projected purchased water costs;
- 3. Deferred balances and the timeframe over which they are proposed to be collected or returned;
- 4. A written explanation of the circumstances that caused the deferred balances in (3) above;
- 5. A written explanation of any significant activities or trends which may effect costs for the prospective period; and
- Updated tariff sheets to reflect any change to the PWAC rate.

The benchmark bill shall be the average residential water customer bill for a twelve-month period.

(Continued)

Issued: April 1, 2014

Effective: April 1, 2014

Ninth Revised Sheet: No. 82 Superseding Eighth Revised Sheet: No. 82

# RATE SCHEDULE 1-B PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC)

#### **APPLICABILITY**

Applicable to all Wastewater Service customer classes including general residential, commercial, industrial and municipal wastewater service in the City of Ocean City. The PSTAC charge, as defined under the Standard Terms and Conditions in this tariff, is designed to recover the cost of purchased wastewater treatment and disposal costs associated with the normal operations of the Company, and allow the Company to achieve a zero or near-zero deferred balance each April 1st on its purchased wastewater treatment and disposal costs. The PSTAC charges detailed below are included on Rate Schedule 1-A within the Minimum Service Charges and are provided herein only for informational purposes. The customer will not be separately invoiced for the PSTAC charge.

#### **CHARACTER OF SERVICE**

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

### PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC) CHARGE

The following are the PSTAC charges per one hundred gallons, per one thousand gallons, per 10 cubic feet, and per 100 cubic feet that are included within the Minimum Service Charge rates as set forth in Wastewater-Rate Schedule 1-A to recover purchased wastewater treatment and disposal costs.

Non Exempt and Exempt	Gallons	Gallons	Rate	Rate
	<u>Per Month</u>	<u>Per Quarter</u>	<u>Per 100 Gallons</u>	<u>Per 1000 Galions</u>
	All	All	\$2.40083	\$24,0083
Non Exempt and Exempt	Cubic Feet	Cubic Feet	Rate	Rate
	<u>Per Month</u>	<u>Per Quarter</u>	<u>Per 10 Cubic Feet</u>	<u>Per 100 Cubic Feet</u>
	All	All	\$1.795821	\$17.95821

#### FILING

The Company shall endeavor to make an annual PSTAC filing no later than December 1st of each year, proposing a PSTAC rate or percentage to be effective on or about the following April 1st.

The notice of filing and of public hearing in the annual PSTAC proceedings shall include the specific rate change proposed to be implemented on April 1<sup>st</sup>. The notice shall also include the impact of such potential increases on a benchmark bill.

The annual PSTAC filing shall contain, but not be limited to, the following:

- A reconciliation of actual versus estimated costs and revenues from the last Board approved PSTAC charge for wastewater treatment and disposal;
- Projected rates supported by projected volumes, revenues, and projected purchased wastewater treatment and disposal costs;
- 3. Deferred balances and the timeframe over which they are proposed to be collected or returned;
- 4. A written explanation of the circumstances that caused the deferred balances in (3) above;
- 5. A written explanation of any significant activities or trends which may affect costs for the prospective period; and
- Updated tariff sheets to reflect any change to the PSTAC rate.

The benchmark bill shall be the average residential wastewater customer bill for a twelve-month period.

#### TERMS OF PAYMENT

See Rate Schedule 1-A for applicable customer classes.

(Continued)

Issued: April 1, 2014

Effective: April 1, 2014

Eighth Revised Sheet: No. 86 Superseding Seventh Revised Sheet: No. 86

# RATE SCHEDULE 2-B PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC)

### **APPLICABILITY**

Applicable to all Wastewater Service customer classes including general residential, commercial, industrial and municipal wastewater service in Lakewood Township. The PSTAC charge, as defined under the Standard Terms and Conditions in this tariff, is designed to recover the cost of purchased wastewater treatment and disposal costs associated with the normal operations of the Company, and allow the Company to achieve a zero or near-zero deferred balance each April 1<sup>st</sup> on its purchased wastewater treatment and disposal costs.

#### CHARACTER OF SERVICE

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

# PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC) CHARGE

In addition to all other charges for general metered service, the following charges per one hundred gallons, per one thousand gallons, per 10 cubic feet and per 100 cubic feet for all sales will be made to recover purchased wastewater treatment and disposal costs not included in the Sewer Usage Charge or any other Charge as set forth in Rate Schedule 2-A of the current Tariff:

Non Exempt and Exempt	Galions	Gallons	Rate	Rate
	<u>Per Month</u>	<u>Per Quarter</u>	<u>Per 100 Gallons</u>	<u>Per 1,000 Gallons</u>
	Ali	All	\$ 0.37965	\$3,7965
Non Exempt and Exempt	Cubic Feet	Cubic Feet	Rate	Rate
	<u>Per Month</u>	<u>Per Quarter</u>	<u>Per 10 Cubic Feet</u>	<u>Per 100 Cubic Feet</u>
	All	All	\$ 0.283978	\$2.83978

#### **FILING**

The Company shall endeavor to make an annual PSTAC filing no later than December 1<sup>st</sup> of each year, proposing a PSTAC rate or percentage to be effective on or about the following April 1<sup>st</sup>.

The notice of filing and of public hearing in the annual PSTAC proceedings shall include the specific rate change proposed to be implemented on April 1<sup>st</sup>. The notice shall also include the impact of such potential increases on a benchmark bill.

The annual PSTAC filing shall contain, but not be limited to, the following:

- A reconciliation of actual versus estimated costs and revenues from the last Board approved PSTAC charge for purchased wastewater treatment and disposal;
- Projected rates supported by projected volumes, revenues, and projected purchased wastewater treatment and disposal costs;
- Deferred balances and the timeframe over which they are proposed to be collected or returned;
- 4. A written explanation of the circumstances that caused the deferred balances in (3) above;
- 5. A written explanation of any significant activities or trends which may affect costs for the prospective period; and
- Updated tariff sheets to reflect any change to the PSTAC rate.

The benchmark bill shall be the average residential wastewater customer bill for a twelve-month period.

(Continued)

Issued: April 1, 2014

Effective: April 1, 2014

Ninth Revised Sheet: No. 89 Superseding Eighth Revised Sheet: No. 89

# RATE SCHEDULE 3-B PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC)

#### **APPLICABILITY**

Applicable to all Wastewater Service customer classes including general residential, commercial, industrial and municipal wastewater service customers provided service by the Company's Adelphia System (service area of the former Adelphia Sewer Company) in the Township of Howell in Monmouth County. The PSTAC charge, as defined under the Standard Terms and Conditions in this tariff, is designed to recover the cost of purchased wastewater treatment and disposal associated with the normal operations of the Company, and allow the Company to achieve a zero or near-zero deferred balance each April 1st on its purchased wastewater treatment and disposal costs.

#### CHARACTER OF SERVICE

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

# PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC) CHARGE

In addition to all other charges for general metered service, the following charges per one hundred gallons, per one thousand gallons, per 10 cubic feet and per 100 cubic feet for all sales will be made to recover purchased wastewater treatment and disposal costs not included in the Sewer Usage Charge or any other Charge as set forth in Rate Schedule 3-A of the current Tariff:

	Gallons	Gallons	Rate	Rate
	Per Month	Per Quarter	Per 100 Galions	Per 1,000 Gailons
Non-Exempt and Exempt	All	All	\$0.64594	\$6.4594

#### **FILING**

The Company shall endeavor to make an annual PSTAC filing no later than December 1<sup>st</sup> of each year, proposing a PSTAC rate to be effective on or about the following April 1<sup>st</sup>.

The notice of filing and of public hearing in the annual PSTAC proceedings shall include the specific rate change proposed to be implemented on April 1<sup>st</sup>. The notice shall also include the impact of such potential increases on a benchmark bill.

The annual PSTAC filing shall contain, but not be limited to, the following:

- A reconciliation of actual versus estimated costs and revenues from the last Board approved PSTAC charge for purchased wastewater treatment and disposal;
- Projected rates supported by projected volumes, revenues, and projected purchased wastewater treatment and disposal costs;
- 3. Deferred balances and the timeframe over which they are proposed to be collected or returned;
- A written explanation of the circumstances that caused the deferred balances in (3) above;
- 5. A written explanation of any significant activities or trends which may affect costs for the prospective period; and
- Updated tariff sheets to reflect any change to the PSTAC rate.

The benchmark bill shall be the average residential wastewater customer bill for a twelve-month period.

(Continued)

Issued: April 1, 2014 Effective: April 1, 2014



Via Facsimile & Overnight Mail (609) 689-4100

February 25, 2014

Honorable Elia A. Pelios, ALJ Office of Administrative Law 9 Quakerbridge Plaza P.O. Box 049 Trenton, NJ 08625-0049

RE: I/M/O the Petition of New Jersey American Water Company, Inc. for Approval to

Change The Level of its Purchased Water Adjustment Clause and Purchased

Wastewater (Sewerage) Treatment Adjustment Clause

BPU Docket No.: WR13111038
OAL Docket No: PUC 1989-2013

Dear Judge Pelios:

Middlesex Water Company ("Middlesex"), an Intervenor in the above matter, has reviewed the proposed Stipulation of Settlement ("Stipulation") in the above-referenced matter which is expected to be executed shortly.

Please be advised that Middlesex does not object to the Stipulation.

Should you have any questions, please contact me.

Respectfully,

Kenneth L. Quinn

Vice President, General Counsel.

Secretary and Treasurer

cc: Attached Service List

(via e-mail only)



# State of New Jersey OFFICE OF ADMINISTRATIVE LAW

# INITIAL DECISION SETTLEMENT

OAL DKT. NO. PUC 17989-13 AGENCY DKT. NO. WR13111038

I/M/O NEW JERSEY AMERICAN WATER COMPANY, INC. FOR AUTHORIZATION TO CHANGE THE LEVELS OF ITS PURCHASED WATER ADJUSTMENTS CLAUSE ("PWAC") AND PURCHASED SEWERAGE TREATMENT ADJUSTMENT CLAUSE ("PSTAC").

Robert J. Brabston, Esq., for petitioner (New Jersey American Water Company, Inc.)

Alex Moreau, Deputy Attorney General, for respondent (Jeffrey S. Chiesa, Attorney General of New Jersey, attorney)

Susan E. McClure, Assistant Deputy Rate Counsel, for Division of Rate Counsel, appearing pursuant to N.J.A.C. 1:1-5.4(a)2

Kenneth J. Quinn, Esq., for intervenor, Middlesex Water Company

Record Closed: March 5, 2014 Decided: March 5, 2014

# BEFORE ELIA A. PELIOS, ALJ:

This proceeding involves a petition by New Jersey American Water Company, Inc., for approval of a purchased water adjustment clause and purchased sewerage treatment adjustment clause. The petition was transmitted to the Office of Administrative Law on December 17, 2013, for determination as a contested case. Duly noticed public hearings were held in Ocean City, New Jersey, and Westampton Township, New Jersey on February 11, 2014, and in Howell, New Jersey, and Maplewood, New Jersey, on February 12, 2014. Ten members of the public appeared on February 11, 2014, in Ocean City, with public testimony provided on the record. No members of the public appeared in Maplewood, Freehold or Westampton. No written comments were submitted by the public.

The parties filed on February 28, 2014, a Stipulation of Settlement (J-1) which resolves all issues in this proceeding. Said Stipulation of Settlement has been signed by all parties, indicates the terms of settlement, and is attached and fully incorporated herein.

E. Set E.

A motion to intervene was filed on behalf of Middlesex Water Company on November 12, 2013. No opposition was filed and the motion is hereby GRANTED. Middlesex Water Company has conveyed that it does not object to the stipulation (I-1).

### I have reviewed the terms of settlement and I FIND:

- The parties have voluntarily agreed to the settlement as evidenced by their signatures or their representatives' signatures on the attached document.
- 2. The settlement fully disposes of all issues in controversy between the parties and is consistent with the law.

On March 4, 2014, petitioner informed this office by way of letter (P-1) that the stipulation of settlement (J-1) contains a typographical error in that it states that the petition was filed on November 15, 2013 when it was actually filed on November 1, 2013. All parties have been alerted to the existence of the typographical error. I FIND and CONCLUDE that the typographical error does not materially affect the appropriateness of the settlement; the voluntary nature of the parties' entering into it; its disposing of all issues in controversy between the parties; or, its consistency with the law.

I hereby FILE my initial decision with the BOARD OF PUBLIC UTILITIES for consideration.

This recommended decision may be adopted, modified or rejected by the BOARD OF PUBLIC UTILITIES, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

March 5, 2014	( G G/).		
DATE	ELIA A. PELIOS, ALJ		
Date Received at Agency:	3/6/14		
Date Mailed to Parties:	3/6/14		

/mel

# **EXHIBITS**

# **Jointly Submitted**

J-1 Stipulation of Settlement

# Submitted by Middlesex Water Company

I-1 Letter Expressing Lack of Objection to J-1

# Submitted by Petitioner New Jersey American Water Company

P-1 Letter identifying typographical error in stipulation of settlement





Robert J. Brabaton Corporate Counsel 187 J.F. Kennedy Parkway Short Hills, NJ 07078

Robert Brabeton Carnweter.com

:5 ✓ P 973.684.6716 F 973.584,6708

February 28, 2014

# Via Email, Facsimile and Regular Mail

Hon. Elia A. Pelios, ALJ
Office of Administrative Law
9 Quakerbridge Plaza
P.O. Box 049
Trenton, New Jersey 08625-0049

Re:

I/M/O the Petition of New Jersey American Water Company, Inc. to Change the Levels of its Purchased Water Adjustment Clause and Purchased Wastewater

(Sewerage) Treatment Adjustment Clause

BPU Docket No. WR13111038 OAL DOCKET NO. PUC 17989-13

# Dear Judge Pelios:

Attached to this letter is the signed stipulation, representing the parties' settlement of the above-captioned matter. Earlier this week, Middlesex Water Company submitted a letter indicating they have no objection to this matter proceeding by way of the attached settlement.

Thank you for your attention to and handling of this matter. Please do not hesitate to call if there are any questions about this matter.

Very truly yours,

/s/Robert J. Brabston

Robert J. Brabston

**RJB** 

CC:

Service list (via e-mail)

# STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF

BPU DOCKET NO. WR13111038

NEW JERSEY-AMERICAN WATER

COMPANY, INC. FOR APPROVAL TO

OAL DOCKET NO. PUC 1989-2013

CHANGE THE LEVEL OF ITS PURCHASED : WATER ADJUSTMENT CLAUSE AND :

MAICK ADYO IMERI CLAUSE ARD

PURCHASED WASTEWATER (SEWERAGE)

TREATMENT ADJUSTMENT CLAUSE

STIPULATION OF SETTLEMENT

# APPEARANCES:

Robert J. Brabston, Esq., on behalf of New Jersey-American Water Company, Inc., Petitioner:

Alex Moreau and Jennifer Hsia, Deputy Attorneys General, on behalf of the Staff of the Board of Public Utilities (John J. Hoffman, Acting Attorney General of New Jersey);

Susan E. McClure, Assistant Deputy Rate Counsel, on behalf of the Division of Rate Counsel; and

Kenneth J. Quinn, Esq., on behalf of Middlesex Water Company, Intervenor

# TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

On November 15, 2013, New Jersey-American Water Company, Inc. ("Petitioner"), a public utility of the State of New Jersey, filed a Petition with the Board of Public Utilities ("Board") pursuant to N.J.A.C. 14:9-7.1 et seq. and 14:9-8.1 et seq., for approval to change the levels of its existing purchased water adjustment clause ("PWAC") charge and purchased wastewater (sewerage) treatment adjustment clause ("PSTAC") charges, with respect to increased purchased water expense and increased purchased wastewater treatment expense. The total amount originally requested was an increase of \$4,483,878 or 0.69% above total Company revenues of \$653,210,852. As a result of settlement discussions, the Signatory Parties indicated

below have agreed to a total overall stipulated increase of \$1,342,760 or 0.21% above total Company revenues of \$653,201,643.

Petitioner purchases water on a routine basis from twelve separate entities and purchases wastewater treatment services from three separate entities, each of which adjusts its rates for service, and, in the case of wastewater treatment service providers, issues sewerage deficit/credit adjustments, at different times throughout the year. The twelve water purveyors are: Passaic Valley Water Commission; Morris County Municipal Utilities Authority; Montclair Water Bureau; Shorelands Water Company; New Jersey Water Supply Authority; Atlantic City Municipal Utilities Authority; City of Wildwood; Borough of Seaside Heights; City of Newark; Township of Maple Shade; East Windsor Municipal Utilities Authority; and Marlboro Township Municipal Utilities Authority. The three sewerage treatment purveyors are: Cape May County Municipal Utilities Authority for the Petitioner's Ocean City Sewer tariff group; Ocean County Utilities Authority for the Petitioner's Lakewood Sewer tariff group; and Howell Township for the Petitioner's Adelphia Sewer tariff group.

In Docket No. WR06030257 (April 2, 2007), the Board ordered that all purchased water costs and purchased wastewater treatment costs be removed from base rates and recovered through the PWAC and PSTAC as applicable. In the Petition filed within the instant proceeding, Petitioner proposed to increase its PWAC rate upon PWAC Rate Schedule O-1 from \$0.4368 per thousand gallons of water to \$0.4810 per thousand gallons of water for Non-Exempt customers. Petitioner proposed to increase its PWAC rate from \$0.3767 per thousand gallons of water to \$0.4148 per thousand gallons for Exempt customers. It also proposed to address its PSTAC charges as follows:

 For Lakewood Township, Ocean County, the rate per thousand gallons of prior year's winter quarter usage (January, February and March meter

- readings) as reflected upon PSTAC Rate Schedule 2-B, would change from \$3.7037 per thousand gallons to \$4.0035 per thousand gallons.
- For customers in Ocean City, Cape May County, the rate per thousand gallons of prior year's summer water quarter usage (July, August and September meter readings) as reflected upon PSTAC Rate Schedule 1-B, would change from \$24.2983 per thousand gallons to \$25.5426 per thousand gallons.
- For customers in the Adelphia section of Howell Township, Monmouth
  County, the rate per thousand gallons of water as reflected upon PSTAC
  Rate Schedule 3-B, would change from \$6.033 per thousand gallons to
  \$6.7920 per thousand gallons.

The Board transmitted this matter to the Office of Administrative Law (the "OAL") as a contested case. A telephonic prehearing conference was held with the Honorable Elia A. Pelios, Administrative Law Judge, during which, among other things, Judge Pelios directed that public hearings be held on this matter.

On November 12, 2013, Middlesex Water Company ("Middlesex") filed a motion to intervene in the instant proceeding. On January 27, 2014, during the telephonic prehearing conference, no party opposed Middlesex's motion and Judge Pelios indicated that the motion would be granted. Middlesex has been included on the service list, received all discovery, and participated in all conferences and meetings. Four public hearings were held in Petitioner's service area: in Howell Township on February 12 at 6 p.m. (no public attendees); Ocean City on February 11 at 2 p.m. (ten public attendees); Maplewood on February 12 at 2 p.m. (no public attendees); and Westampton on February 11 at 6 p.m. (no public attendees). The Ocean City hearing had public testimony on the record, and the Company is scheduling a follow-up meeting later in the spring with the Ocean City Utility Advisory Board to address all of the questions asked at the Ocean City public hearing.

The Division of Rate Counsel ("Rate Counsel") and Board Staff served interrogatories on Petitioner, which were responded to in full by Petitioner. Petitioner, Board Staff, and Rate Counsel ("Signatory Parties") and Middlesex participated in a discovery/settlement conference on February 24, 2014, after the public hearings had been held and public comment received into the record for consideration by all parties. As a result of discovery conducted and of the negotiations, the Signatory Parties have been able to reach agreement on this matter, the provisions of which are set forth below.

### <u>SETTLEMENT AGREEMENT</u>

- 1. The Signatory Parties recommend that the Board approve a change to Petitioner's PWAC rate on PWAC Rate Schedule O-1 from \$0.4368 per thousand gallons of water for Non-Exempt customers to \$0.4525 per thousand gallons of water for Non-Exempt customers and from \$0.3767 per thousand gallons of water for Exempt customers to \$0.3902 per thousand gallons of water for Exempt customers.
- 2. The Signatory Parties further recommend that the Board permit Petitioner to change its effective PSTAC charges as follows:
  - For Lakewood Township, Ocean County, the rate per thousand gallons of prior year's winter quarter as reflected within PSTAC Rate Schedule 2-B will change from \$3.7037 per thousand gallons to \$3.7965 per thousand gallons.
  - For customers in Ocean City, Cape May County, the rate per thousand gallons of prior year's summer water quarter usage (July, August and September meter readings) as reflected upon PSTAC Rate Schedule 1-B, will change from \$24.2983 per thousand gallons to \$24.0083 per thousand gallons.
  - For customers in the Adelphia section of Howell Township, Monmouth
    County, the rate per thousand gallons of water as reflected upon PSTAC
    Rate Schedule 3-B, will change from \$6.0933 per thousand gallons to
    \$6.4594 per thousand gallons.

3. The effective PWAC rate change would result in an increase in the annual bill of an average residential customer utilizing 6,500 gallons per month as follows:

	Present	Proposed	Amount	Percentage
·	Monthly Bill	Per Month	Increase	Increase
SA-1	\$52.05	\$52.15	\$0.10	0.19%
SA-1B Pennsgrove	\$38.28	538.38	50.10	0.26%
SA-1D	\$45.58	\$45.68	<b>S0.10</b>	0.22%
SA-2, SA-3 & SA1A	\$49.40	\$49.51	<b>50.11</b>	0.22%
SA-2 Manville	\$45.98	\$46.08	\$0.10	0.22%
SA-3 Southampton	\$42.57	\$42.67	\$0.10	0.23%

- 4. The PSTAC rate changes, will result in: an increase for a typical residential sewer service customer in Lakewood Township, Ocean County utilizing 18,000 gallons of water in the winter quarter, of \$0.56 per month or 0.97%; a decrease to an average sewer service customer in Ocean City, Cape May County utilizing 20,000 gallons in the summer quarter and 44,000 gallons of water per year, of (\$0.48) per month or (0.73%); and an increase to an average sewer service customer in the Adelphia section of Howell Township, Monmouth County utilizing 48,000 gallons of water per year, of \$1.47 per month or 2.82%.
  - 5. These PWAC and PSTAC rates are calculated as being effective April 1, 2014.
- NJAWC plans to file its 2014 PWAC/PSTAC petition on or before November 15,
   2014.
- 7. Within this Stipulation, the Signatory Parties have agreed on a methodology for calculating the amount of interest to be applied to over-recoveries within the PWAC. This method is described as follows: Total PWAC True-up balance (Over)/Under-recovered (which is the adjusted total purchased water expense minus total PWAC revenues net of cost recoveries for the current month) of the current month, plus the total PWAC cumulative true-up balance

(Over)/under recovery) of the prior month, minus the amortization of the PWAC true-up from the previous PWAC year of the current month. By way of example of this methodology, see Note 5, Schedule DMD-2, attached to this Stipulation. The Signatory Parties agree to review this methodology and adjust it as necessary and appropriate in future PWAC proceedings.

- 8. The PWAC/PSTAC rates established herein will increase annual revenues by \$1,342,760 or 0.21%.
- 9. In accordance with the provisions of N.J.A.C. 14:9-7.3(c) and 14:9-8.3(c), the Petitioner shall file with the Board, not later than 45 days after the adjustment clauses have been in effect for one year, PWAC and PSTAC true-up schedules in connection with this proceeding. Copies of the true-up schedules will be served upon Board Staff and Rate Counsel.
- 10. This Stipulation shall be binding on the Signatory Parties to this proceeding upon approval hereof by the Board. This Stipulation shall bind the Signatory Parties in this matter only and shall not be considered precedential in any other proceeding involving the Signatory Parties hereto.
- 11. This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the Signatory Parties individually and jointly state that they would not have signed the Stipulation had any term been modified in any way. In the event that any modifications whatsoever are made to this Stipulation, each of the Signatory Parties hereto is entitled to certain procedures in the event of such occurrence.
- 12. If any modification is made to the terms of this Stipulation, the Signatory Parties must be given the right to be placed in the position in which each Signatory Party was before this Stipulation was executed. It is essential that each Signatory Party be given the option either to

modify its own position, to accept the proposed change(s) or to resume the proceeding as if no agreement had been reached.

- 13. The Signatory Parties believe that these procedures are fair to all concerned and, therefore, they are made an integral and essential element of this Stipulation.
- 14. This Stipulation may be executed in as many counterparts as there are signatories to this Stipulation, each of which counterpart shall be an original, but all of which shall constitute one and the same instrument.
- 15. On February 25, 2014, Middlesex filed a letter with the OAL indicating that it did not object to the Stipulation.

# STEFANIE A. BRAND, DIRECTOR DIVISION OF RATE COUNSEL

Susan E. McClure

**Assistant Deputy Rate Counsel** 

Dated: 2/28/2014

NEW JERSEY-AMERICAN WATER COMPANY, INC.

Robert J. Brabston Corporate Commel

Dated: 0/38/2014

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

Alan Mayan

Alexideresu Deputy Attorney General

Dated: 02/28/2014

# **New Jersey American Water Company** Statement of Actual Purchased Water Operating Expense - PWAC Water Service Prior PWAC Year 4/1/13 - 3/31/14

New Jersey American Water Company BPU Docket No. WR13111038 Witness Responsible: Dante M. DeStefano Schedule OMD 1 (updated 2/24/14) PWAG Filing Year: 4/1/2013 - 3/31/2014

Page 1

Purchesed Water	El-tqA	May-13	Jun-13	Jul-13	Aug-13	3ep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total
/andor/Voucher													
Ulaniic City Municipal Littity Authority	\$ 110,677	\$ 121,953	\$ 117,037	5 121,524	\$ 157,640	\$ 200,159	\$ 192,997	\$ 194.513	\$ 161,271	\$ 120,507	S 120,735	\$ 113,522	\$1,732,534
lorough Florham Park	0	0	30	0	0	30	30	0	30	570	8	0	\$690
ownship of Maple Shade	9.718	Ø	0	Ö	0	12,176	12,794	ā	0	11,332	ō	0	\$46,019
iomis County Municipal Utilities Authority	37,694	36,394	45,938	50,633	68,524	72.157	53,961	48,151	41,902	47,177	38,582	34,793	\$576,135
fontriair Water Bureau	12,554	6,620	6,163	12,214	5.507	5.901	5,868	49,956	8,643	5.487	22,740	24,424	\$156,076
ity of Newark - Straw/Salvage	25	32	0	32	396	0	9	58	181	251	43	22	\$1,043
UWSA - Water - Managosan	- n		1,220,513	ā	0	1,220,513	ň	ñ	1,220,513	0	ã	1,220,513	\$4,882,053
UWSA - Overdrefts - Managouan	ñ	ā	را ماهمیا، دا ماهمیا،	ő	ă	C C	ő	ň	B	ŏ	ō	Q	50
LIW6A - Power Component - Managuan	č	41,251	10.453	15,561	40,954	18,508	17,323	13,689	ã	13,726	41.658	15,481	\$228,603
assaic Valley Water Commission - Water			762,856	108,738			705,338	346,423	521,997	1,147,456	627,359	631,325	\$8,904,172
	u .	1,478,508			1,981,483	494,893				t, 141,400 D		46,160	\$729,576
assaic Valley Whiter Comm Power Component	0	100,702	66,334	0	Ü	0	208,315	g	D	-	286,056		
Sea, fale City	0	a	Q	G	a	Q.	0	0	a	0	۵	0	\$0
Searkide Heights Borough	0	0	0	28,427	0	0	44,443	5,853	0	41,623	Q	34,867	\$155,213
Shorelands Water Company	25,382	26,460	34,896	115,031	40,239	33,815	32,031	27,247	29,081	26,980	32,608	30,580	\$457,750
City of Wildwood	0	O	0	Đ.	ø	0	88,071	0	0	Ð	0	Û	\$88,071
Pemberion Borough	0	Q	O.	Q	Ü	0	Đ	0	0	0	1,226	O	\$1,226
Other - Voughers	Đ	D	Q.	Ð	D	Q	0	0	0	Q	O	C	St
ifaritiona Municipal Utilities Authority	0	0	Đ	0	0	204,054	42,777	31,113	44,149	32,594	31,925	28,604	\$415,218
UMBA - Water - Reviters	923,274	664,030	923,274	692,910	923,274	923,274	884,030	923,274	894,030	923,274	923,274	635,541	10,873,460
UVSA - Water - Rarkan - Credit (1)	0	Ω	٥	Œ	0	٥	Û	Q	0	ρ	O	0	E
WWSA - Overdraft - Razitan		0	Q	0	G	٥	0	Ó	0	0	0	Đ	0
City of Honouris - Startmit	0	11	G	G	12,838	9,518	2	G	a	13	1,334	88	23,805
East Windsor Municipal Ubity	0	Ö		641	0	411	0	00	324	0	0	840	2,215
Total of Vouchers (2)	\$1,119,523	\$2,703,969	\$3,209,594	\$1,148,709	\$3,230,858	\$3,195,309	\$2,298,008	\$1,640,278	\$2,822,120	\$2,370,992	\$2,127,749	\$3,016,761	\$28,923,851
lournal Entries													
Accessin for Account 510100	468,245	512.416	(661,544)	1,237,389	55,744	(677,395)	(117.456)	317,701	(615,395)	26,768	٥	٥	546,473
Total Balanca of Account 510100 (Purch. Wu)	\$1,587,788	\$3,216,375	\$2,548,050	\$2,386,008	\$3,286,602	\$2,517,914	\$2,180,552	\$1,957,979	\$2,308,725		\$2,127,749	\$3,016,761	\$29,530,332
Ad Institution in													
Eletinations													
Eliminate Accruela for Account 510100	(\$468,245)	(\$512,416	\$861,544	(\$1,237,389)	(\$55,744)	\$677,395	\$117,458	(\$317,701)	\$615,395	(\$26,768)	\$0	\$0	(\$546,473
Senskie Basin Interest (3)				, , , , , , , , , , , , , , , , , , ,	4	•		(75)					
••								****					
Total of Eliminations	(\$460.245)	Ø512.416	\$661,544	(\$1,237,399)	(\$55,744)	\$677.395	\$117,456	(\$317,776)	\$615,395	(\$26,768)	50	\$0	(\$546,47)
		19714.719		1001					30,10,000				
Additions													
No Additions	Û	O	٥	O	Đ	0	a	Ð	O		t)	0	(
Total of Additions	30	<u>sõ</u>	\$0	SC	50	\$0	\$0	\$0	\$0		SO	\$0	×
			- X										
Total Purchased Water Expense As Adjusted	\$1,119,523	\$2,703,959	\$3,209,594	\$1,148,709	\$3,230,858	\$3,195,309	\$2,298,008	\$1,840,203	\$2,922,120	\$2,370,992	52,127,749	\$3,016,761	\$28,983,784
Aches:	411111111111111111111111111111111111111												-

<sup>(1)</sup> Reflects credit against prior period debt service payments.
(2) Purchased Weter expense reflects actuals except for estimates utilized for February through March 2014 activity. The estimated solivity is based on a 3-year average usage of year ended 3/31/11, 3/31/12, and 3/31/13 for that invoiced month, multiplied by the applicable effective rate. The exceptions to this estimate process are N.MSA-Mansasyan and N.MSA-Ranken (utilize the opinized usage and rate as of 7/1/13).
(3) Interest paid for late payment is removed form total expenses.

# New Jersey American Water Company Statement of Actual Purchased Water Volumes (1000 Gallons) Associated with Actual Purchased Water Expense - PWAC Water Service Prior PWAC Year 4/1/13 - 3/3/1/14 (1)

New Jersey American Wither Contpuny BPU Docket No. WR13111038 Witness Responsible: Dente M. DeBtefano Schedule DMD 1a (updated 2/24/14) PWAC Filing Year: 41/2013 - 3/31/2014

Page 1

Line														
No.	Purchased Water	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mas-14	Total
1														
2														
3	Vendor/Vendor (1,000 nations)											n= = ==	m#: 071	EE0 443
4	Atlantic City Municipal Utility Authority	35,447	39,328	37,636	36,537	51,613	66,249	63,783	64,306	52,863	38,028	37,945	35,678	558,413
5	Borough of Florham Park	0	O	ß	0	0	O	0	O	a	56	U	ů,	56 6,251
6	Township of Maple Shade	1,279	8	0	Ð	G	1,669	1,768	0	Q.	1,535	45.005	44050	
7	Monis County Municipal Utilities Authority	15,989	15,368	19,363	21,364	28,913	30,446	22,781	20,317	17,690	19,906	15,805	14,253 14,053	242,193 73,455
8	Monteisir Water Bureau	7,223	3,809	3,546	7,027	3,169	3,395	3,376	7,294	4,302	3,177	13,084	14,003	333
9	City of Newark - Shew/Selvage	7	10	Đ	10	134	O	0	18	58	76	13	1,140,625	4,562,500
10	NJWSA - Water - Mansequari	0	0	1,140,625	Đ	Ď	1,140,825	Q	8	1,140,625	u	ų	1,140,020	4,002,000
11	NJWSA - Overdrafts - Mansaquen	0	G	Đ	0	0	Ð	Ü	0	ų mar mar	CD 4 CTO	070 000	274,620	3,996,743
12	Passaic Valley Water Commission - Water	0	874,870	348,680	49,700	905,680	226,110	322,390	158,340	238,590	524,470	273,093	214,020	giantitaes
13	Sea tale City	Ü	O	0	D	0	0	0	0	Ü	45.440	ű	12,677	56,441
14	Seeside Heichts	Û	Ð	0	10,335	0	0	18,181	2,128	44.500	15,140	13,665	12,700	188,680
15	Shorelands Wister Company	10,331	10,694	13,227	52,036	15,529	13,596	12,621	10,978	11,527	10,976	12,003	12,100	35,088
16	City of Wildwood	0	O	0	Q	0	ū	35,068	ij.	ų,	u o	336	ŏ	336
17	Perniceton Borough	0	Đ	0	Ø	a	0	0	ŭ	ņ	Ų	330	ď	G. G.
18	Other Vendors	0	0	O	0	0	0	0	- U	40.445	8,121	7,962	7,134	102,546
19	Mariboro Municipal Utilities Authority	а	6	0	0	0	50,818	10,647	7,750	10,115	3,924,599	3,924,800	3,544,800	46,208,969
20	NAMSA - Weser - Reritan	3,824,600	3,798,000	3,924,600	3,798,000	3,924,800	3,924,600	3,798,000	3,924,600	3,798,000	87,300	87,300	87,300	1,047,600
21	NUMSA- Water - Raritan Legislative Grant	87,300	87,300	87,300	87,300	87,300	57,300	87,300	67,300	87,300	ar,auu	φ.,σ <b>.</b> φ.	0,100	0
22	NJAVSA - Overdraft - Racibin	0	0	0	0		0	a	ű	Ü	5	525	785	8,754
23	City of Newark-Surrerit	0	4	D	0	4,471	3,743	1	Ü	, u	2	<i>525</i>	390	869
24	East Windsor Municipal Utility	0	0	0	243	0	138	0	4 000 004	5300 155	4,633,401	4,374,328	5,144,472	57,088,697
	Total Volume Assoc, with PW Expense as Adjusted	4,082,176	4,629,371	5,574,997	4.061,562	5,021,408	5,548,689	4,374,116	4,283,031	5,381,158	4,033,401	9,014,020	4, 144,412	01,000,007

27 (1) Purchased Water usage reflects actuals except for estimates utilized for February through March 2014 activity. The estimated activity is based on a 3-year average usage of year ended 3/31/11, 3/31/12, and 3/31/13 for that invoiced morth. The exceptions to this estimate process are NJMSA-Manasquan and NJMSA-Rankan (utilize the contract usage as of 7/1/13).

28 30 31

# Mew Jersey American Water Company Statement of PWAC Your Up Schedule - Fevenue and Operating Expense - PWAC Water Service Phot PWAC Year Afrits - 201714

Schedule DMD 2 (updated 224/14) PWAC Filing Year: 45/2013 - 23/12014

New Jersey Attention Water Company BPU Doctore No. WR13111038 Witness Responsible: Darlin M. DeStereno

The district between the color of the colo										-					
Colored   Colo	Purchased Water			May 13	hrs.4%	3	•	į	!						
Column					Sind	21.05	2	80013	8	70-t3	Dec-13	Jan-14	F85-14	Mar-14	Total
Column   C	2 Louis Sales PAAC Revenue (not-capt & exempt) (2)	ä		328,870		\$5,283,148	\$3,627,684	\$3,267,542	\$2,967,517	\$2,274,800	52 758 936	\$7 800 G7 5	C) 664 447	C) 180 640	
Common   C	4 Non-Estimpt PriMC Revenue	23		28.138 158	,	23 710 040	CO 545 CBO	77.853	- 1	1	52023	98,235	63.729	76,292	971.003
13,7794   13,7	2 (300) for pain (3)							100'aru'n4			12,675,256	\$2,731,746	\$2,467,714	\$2312207	\$33,517,446
Company   Comp	7 PASC Non-sample Rest, not of GROTTIN & \$100% and	Š	[	13 70%	13.70%	13.70%	13.70%				13.70%	13.78%	43 768	40.00	1
127,446   127,468   127,468   127,448   127,548   17,558   17,558   17,57		Ī				74,700,30			r		\$2,307,140	52 365 859	23 128 167	C4 DO4 DEE	13.703
127,400   127,		200		100		73.070		ł			80.073	88,225	827.28	COX 9%	544 CAN (644
127,446   127,447   127,446   127,						**************************************					\$2,360,213	\$2,454,083	\$2,21,888	\$2,070,367	529,876,541
127,445   127,	12 PARC Rev. nel of GRET, Union Boy Lings are not on ones.		0.8923	0.9923	0.8623	0.9823	0.9923		0.9023	0.9923	0.0000	0.0000	2000	5000	
127,466   127,468   127,448   127,		**	7707	20142	\$2,861,620	\$2,819,564	53,115,773	\$2,823,P48	\$2,950,045	\$1,967,103	\$2,371,808	12 CES (8)	\$2.194.854	\$2064.415	528 646 401
\$40 \$5.00 \$40 \$5.00 \$2.00 \$40 \$40 \$40 \$40 \$40 \$40 \$40 \$40 \$40 \$	5	₩.	27.468	127.488	(27) AND	137	ţ	į	ļ					•	
549 544 549 544 540 540 540 540 540 540 540 540 540	10 Least PWAC Flors Cost Australian (2)					7 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	144,400	14/1	12/,408	127,488	127,468	127,486	127,488	127,468	1,529,611
2,703,000 52,000,504 1,144,700 5,204,000 2,040,000 1,940,203 2,024,707 52,040,644 51,046,702 2,046,000 1,940,203 2,024,707 52,040,644 51,046,700 2,046,000 1,940,200 1,940,203 2,024,707 52,046,000 1,940,200 2,046,000 1,940,200 2,046,000 1,940,200 2,046,000 1,940,200 2,046,000 1,940,200 2,046,000 1,940,200 2,046,000 1,940,200 2,046,000 1,940,200	18		ž	3	3	<b>5</b> 4	3	100 100 100 100 100 100 100 100 100 100	2	33	3	2	<b>3</b>	253	6.517
2/103,699 3,209,594 1,144,709 3,200,669 3,195,909 2,208,009 1,940,203 2,920,100 2,370,002 2,177/49 3,018,701 2  \$461,875 \$700,614 (\$4020,699) (\$71,844) (\$71,849) (\$71,844) (\$7514,109) (\$40,742) (\$40,742) (\$40,742) (\$40,742) (\$40,489) (\$71,844) (\$		12		02,131	1	\$2,867,563	52,967,762	1	1	S1 829 182	202 476 63	ACT TOTAL	C.3 CGO 843		
#401.828 #5986.006 (\$15.542.844) #7244.058 #609.577 (\$134.029) (\$169.079) \$4678.523 \$453.642 \$4640 \$51.000.557 (\$15.00.00) (\$169.079) \$467.825 \$463.00 (\$15.00.00) (\$15.00.00) \$1.00.00 (\$10.00.00) \$1.00.00 (\$10.00.00) \$1.00.00 (\$10.00.00) \$1.00.00 (\$10.00.00) \$1.00.00 (\$1.00.00) \$1.00.0				2703.050	3 200 504	4 148 700	4 7727 BES					and and a second	ChO'am'ye	THE WAY	10,363
### ### ### ### ### ### ### ### ### ##							422,000	A CONTRACTOR	2,284,000	1,640,203	2,622,130	2,370,062	2,127,740	3,016,781	28,983,785
\$661,607 \$1,240,614 (\$420,608) (\$314,970) \$57,880 (\$190,619) (\$510,108) \$40,747 (\$72,900) (\$40,489) \$573,422 \$44,817 \$51,240,614 (\$420,689) (\$314,970) \$57,880 (\$190,619) (\$310,108) \$40,747 (\$22,900) (\$40,489) \$573,422 \$44,817 \$51,240,614 (\$420,689) (\$314,970) \$57,880 (\$170,114] (\$170,1	-	2	1	5401.828	Steph Cars.	A44 C43 83	PO 242	14000							
886.502 86.445 70.114 88.398 75.4829 (\$192.001) (\$510.109) \$40.747 (\$22.000) (\$60.489) \$877.422 (\$10.500) \$1.500 (\$60.489) \$877.422 (\$10.500) \$1.500 (\$1.500 (\$1.500) \$1.500 (			ı			1	200000	2/5	(5) 24 (CO)		\$578,323	\$63,816	\$60,906	\$1,000,357	\$873,422
\$44,817         \$01,320         \$15,320 <t< th=""><th>Integrant Calculation Total PANC Currelation Trus-up Baienca (Over-Recox.) / Under-Recox. (Sp.</th><th></th><th></th><th></th><th>11 240 844</th><th>(Sea the sea</th><th></th><th>į</th><th></th><th></th><th></th><th></th><th></th><th></th><th></th></t<>	Integrant Calculation Total PANC Currelation Trus-up Baienca (Over-Recox.) / Under-Recox. (Sp.				11 240 844	(Sea the sea		į							
EACH ANT         SOFT,SIDE         GCS,466         CFA,167         GCF/RH         CSCF/RHS         CTSCF/RHS         CTSCF/R		•			al Cinavira	iono one	20,410	527,433 527,433	(\$183,001)	(\$510,100)	\$40,747	(\$22,900)	(580,488)	\$873,422	
E CORNIN         ALTSANNA		iö	12.736	544,817	901,306	405,458	(371,884)	(128,119)	(87,914)	(351,885)	(234,861)	0.820	(58,187)	718,190	
Color   Colo	23 34 Ownel ROR Per Docint 6PUMARCH 1070489 (19	Æ,	Commen	B COOPE	A PSOSING	4									
### 15,000 \$50,441 \$2,717 \$52,400 \$1,000 \$1,			0.07	0.67	0.67	0.67%	0.674	8.0360g	K ITSON	8.0308% 0.0308%	a Caper	B.Ospore	8.0308%	# 0398%	
845.542 80.425 770,114 845,349 75,422 72,840 71,555 88,110 105,843 94,744 84,045 15,559 15,529 20,144 84,045 15,559 15,759 15,559 15,75		1	5 4 ES	\$3,650	\$8,441	\$2,717	(\$2,402)	200	(55)	(\$2.366)	KUS 180	<b>1</b>	0.67%	2007%	4
80.562 80.425 70,114 80,349 75,422 70,840 71,555 88,110 105,883 94,746 84,045 71,524 20,850 30,546 30,337 71,038 30,778 71,525 88,110 105,883 94,746 94,045 71,536 15,739													in the second	9877	914,842B
88.562 80.425 70,114 845,349 75,422 70,860 71,555 88,110 105,883 96,746 84,005 15,722 22,434 20,850 20,550 20,550 20,537 21,036 20,073 21,520 20,610 105,883 96,746 15,005 15,720 16,730 15,720 16,230 16,230		8												•	2871.422
22,434 20,650 20,550 20,550 20,537 71,555 71,555 74,110 105,883 96,784 94,045 95,050 20,453 71,555 74,110 105,883 96,784 94,045 95,055 71,555	41 Copm (Beyway) - CIW	_	0,875	295.88	80,408	71.47	OR TAB	10.	֓֞֜֜֜֜֜֜֜֜֜֜֓֓֓֓֓֜֜֜֜֜֓֓֓֓֓֓֜֜֜֜֜֓֓֓֓֓֜֜֜֡֓֓֡֓֡֡֓֜֡֓֜						
15,350 15,886 15,026 15,727 15,472 15,028 15,038 15,334 15,342 15,342 15,342 15,343 15,344 16		e e	72,680	20.00	20,850	20,500	20.00	10,45	200		66,110	105,683	\$6,786	84,045	1,018,967
85,634 87,546 88,736 84,734 82,677 62,628 94,818 55,377 117,346 84,346 14,544 17,247 14,544 17,747 14,544 14,747 14,544 14,747 1			15 328	15,350	15,896	15,024	15.275	15 423	4505A	25.75 25.75	20,018 46.963	9	19,667	18,472	248,415
214,285 1,535 1,585 1,585 1,580 255, 30 1,130 1,005 76 76 76 76 76 76 76 76 76 76 76 76 76	45 Ruddous Water Co 1978 Rest. Class	<b>G</b>		90,034	87,506	26,736	10 TO	92,671	90,028	30.73	55 347	17.24	5 5	14,504	185,047
50.2767 50.2767 50.376	48 Total Exampl Custome Actual Water Sales		I	24.4.20	1305	22	3885	1,675	1,380	8	1.130	100	Ye.	i i	7,4,501,1
\$50,714 \$77,5115 \$75,000 \$50,3767 \$0,3767 \$0,3767 \$0,3767 \$0,3767 \$0,3767 \$0,3767 \$0,3767 \$0,3767		•		414			220,840	204,139	205,307	204,380	220,528	260,750	222.270	202,526	2577.805
200,114 21/400 878,115 87,105 87,373 576,000 888,073 818,725 556,730 558,730				\$0.3767	\$0.3767	50,3767	\$0.3767	19/2 05	\$0,3767	\$0.3767	\$0.3767	50.5767	50.3707	CH 2787	200
	S	*	I	2000	577,016	\$73.078	\$83,115	\$77,863	\$77,373	576,982	\$43,073	\$10.225	583 720	524 202	20,370

SOUND STATES STA

# New Jersey American Water Company Statement of PWAC True Up Schedule - Revenue and Operating Expense - PWAC Water Service Prior PWAC Year #HH2 - 3/31/13

New Jersey American Water Company MPU Docket No. WR13111036 Witness Responsible: Dante M. DeStefano

Schedule DMD 2a PWAC Filing Year: 4/1/2013 - 2/31/2014

Page 1

				****			***************************************								
ina No.		ts (1) sr-12	4 40	Manage	h en						<b></b>				
÷	THE CHARLEST PARKS IN	4-)-2	Apr-12	May-12	Jun-12	Jai-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Total
2	Total Billed PMAC Revenue (non-expt. & except) (2)		\$2,406,142	\$2,000,314	\$2,986,713	\$3,574,127	\$3,609,942	\$3,221,156	\$2,680,022	\$2,840,405	\$2,715,402	52,667,798	\$2,644,805	\$2,475,919	\$34,314,743
3	Laster Ecompt PVMC Revenue (from in. 46)		70.845	71,237	70.902	86.515	82,700	71 488	60,030	77.067	86,754	79.746	86.784	90.862	918,507
4	Note-Earning PANAC Revenue	•	\$2,337,407	\$2,819,077	\$2,915,811		\$3,527,242	\$3,149,670	\$2,510,963	\$2,563,348	\$2,528,648	\$2,588,050	\$2,568,041	\$2,395,257	\$33,308,236
2	CONTAIN NO.													•••	
	GRFT lax rate (3)		13.78%	13.76%	13,76%	13.70%	13,70%	13.79%	13.79%	13.78%	13.70%	13.76%	13.76%	13.78%	13,76
	PAMC Non-sumpt. Rev. net of GRFT(in.4 "(100%-in.6) Add Beric Esumpt PWAC Revenue (in. 3)		\$2,016,858	\$2,258,602	52,514,506	\$3,022,377	\$3,041,893	\$2,718,275	\$2,251,712	\$2,210,632	\$2,286,946	\$2,231,934	\$2,206,055	\$2,085,860	\$28,802,639
	PWAC Revenue and of GRFT		70,845 \$2,006,503	71,237 \$2,329,929	70,902 \$2,585,498	89,515 53,001,802	82,700 \$3,124,563	\$2,787,701	52,320,751	77,057	88,754	79,748	86,784	60,682	918,50
0	A THE THE STREET WAS AND A STREET WAS AND ASSESSMENT OF THE STREET		**********	and despitation.	47/460/480	93/06.1*det	90' (94'500	94/01/10I	\$47.000\\\	\$2,267,689	\$2,363,700	\$2,311,680	\$2,292,619	\$2,146,331	\$29,710,14
1	Leak Uncollectibles & BPU/Div, Rale Counsel Eug. Factor (3)		0.9916	0.9916	0.9918	0.9916	0.0016	0.0016	0.0010	0.9925	0.9925	0.9025	0 9825	0.9925	0.990
	PANAG Ray, net of GREY, Lincol, EPLIONG top, (In. 9"11)		\$2,068,978		\$2,563,760	\$3,085,920	\$3,000,346	\$2,764,344		\$2,270,581	\$2,338,047	\$2,294,342	\$2,275,823	\$2,130,234	\$29,480,36
3					V	4744-01	+=1===1==+	444.0414.4	4444417440	anter Man.	awteen/stat	42,500,100,00	48/23-0/08-9	945 (40)664	-
4	Lines: PMAC True-up Under-recovery of \$814,884														
5	from PWAC Year 4/11-3/12 divided by 12 mos. (4)		67,908	67,905	67,905	67,905	67,905	67,905	67,906	87.905	67,905	67,906	67,905	87,905	814.88
6															
	Lame: PWMC Flung Cost Authorized (4)		2,089	2,087	2,087	2,067	2,087	2,087	2,087	2,087	2,087	2,087	2,087	2,067	25,04
8	Water Millian Processing at A. A														
	Total PMAC Revenues not of Cost recoveries detailed above		\$1,966,978	\$2,240,366	\$2,405,788	\$2,005,926	\$3,028,354	\$2,664,352	\$2,231,871	\$2,200,539	\$2,286,056	\$2,224,350	\$2,205,631	\$2,080,242	\$28,840,45
	Total Purchased Winter Exp. as Adjusted -(per Sch. DMD-1, in, 48)		1,159,757	1.828.883	3.137,438	אייר צפיני ה	4 804 022	4 700 440	A 500 043	4 754 554	1.400.000	-		# ### ###	
22	town a meta-control and and and address of the forth the but a field		1,100,101	110700710003	3,131,436	2,737,790	1,334,055	4,792,419	2,527,248	1,394,951	4,168,366	2,038,500	2,019,614	3,091,226	30,170,00
	Total PWAC True-Up Balance														
4	[Over-Recovered] / Under-Recovered (in. 21-18)		(\$639,221)	(\$411,863)	\$643,650	(\$268,120)	(\$1,694,290)	\$2 038 067	\$295,377	25805 58F0	\$1,902,311	(\$185,541)	(\$186,017)	\$1,030,984	\$1,529,61
5	• • • • • •							V				(0.120,24)	(4100/2117)		, 41,
	Interest Calculation														
	Total PANC Cumulative True-up Balance														
#	(Over-Recov.) / Under-Recov. (6) 58	14,864	(392,298)	(\$571,855)	\$3,890	(\$322,145)	(\$2,084,347)	(\$114,185)	\$113,297	(\$780,208)	\$1,074,200	\$885,359	\$702,343	\$1,733,325	
9	According to the second of the														
1	Average of the Custert & Prior months Custative True-up Salarons. (Over rec.) / Under rec.		361,290	(332,060)	(289,982)	(159,126)	(1,203,245)	(1,000,286)	(440)	(323,400)	156,997	981,279	795,351	1,217,834	
2	( consultation from early monthly														
_	Overeit ROR Per Docket SPUMAR (004028) 481		6.3248%												
	Ownell HOR Per Docket SPLIMART 10704(0) (7)		4	8.0398%	8.0908%	8,0308%	B.0306%	A 030694	8.0398%	8.0306%	8.0306%	8.0396%	8.0398%	8.0308%	
	Monthly Overall Rate of Rulum		0.09%	0.07%	0.67%	0.67%	0.67%	0.87%	0.67%	0.67%	0.87%	0.67%	0.67%	0.67%	
8	Interest on Your-up Beliences-(Over)/ Under		\$2,493	(\$2,225)	(\$1,903)	(\$1,066)	(\$8,052)	(\$7,585)	(\$3)	(\$2,187)	\$1,052	\$6,575	\$5,329	\$8,159	58
7			~												•
	Tutel PWAC (Over-Recov.) / Under-Recov. Including Interest														\$1,528,6
Θ,															
	Exempt (from GRFT) Customers Actual Water Sales (1900 cale)	F(B)											***************************************		
	Coper (Seyway) — CIW		74,660	74,647	76,401	75,219	105,767	75,174	89,089	70,336	100,357	77,208	26,539	69,710	967,86
	Agust N.I. Winter Co. — SFR-CD Laurercoville Water Co. — SFR-SOS		21,181	20,572	21,528	20,694	21,540	21,517	20,548	21,530	20,903	21,227	16,966	15,905	244,14
	Herrancevana vyallan (d 80-14-8075 Hildelianate Walter Co SFR SCIS		15,463 91,464	15,613	14,928	14,943	15,200	15,551	14,925	15,856	15,710	15,327	15,310	14,260	184,12
	Roofficus Wester Co. — SFR Rec. (SMS)		177,464 800	93,317 1,205	90,198 1,335	57,849 1,665	93,066 2,790	92,190 1,640	88,015 1,435	88,875	83,888	87,822	90,573 788	85,965 710	1,071,0
	Total Exampl Contenter Actual Welar Spice	•	203,646	205.354	204,388	200,300	238,397	206,072	192,010	730 197,329	1,315	1,040 204,214	222,187	208,580	15,54 2,502,7
7	The second section is a second section of the second section of the second section is a second section of the section of		***************************************	district property	-W1-00	Elever and a	and the same of	MALUI Z	144,410	4 41 1 GRA	AZZ, FOZ	£179,£19	444,101	200,300	هرنجيني ا
â	Exempl PWAC Rate per 1900 gals. (8)		50.3459	\$0.3489	\$0.3460	\$0.3469	\$0,3469	\$0,3469	\$0,3596	SO 3905	\$0,3905	\$0,3005	50,3805	\$0,300\$	\$0.366
ø	Exempt PWAC Revenue		270,645	\$71,257	\$70,902	\$69,515	\$82,700	\$71,480	\$69,039	\$77.067	588,754	\$79,746	\$86,764	\$80.662	\$818.50
n													1-14-		7.7.7

<sup>51</sup> Notes: (1) March 2012 represents Total PWAC True-up instance per Schedule DMD-3 - Per Settlement, line S, 2012 PWAC Rate Filing SPU Docket #99R12060SSD.

61

<sup>10</sup> POINTS (1) Instruct AUTA represents to the FTMO Transport Instruct per community for the PMAC white PMAC white PMAC white PMAC white PMAC white PMAC and Uncollection FBPURIshe Counsel argence factor utilized herein is per Settlement, BPU Docket #WR12050390.

54 (6) Amount per the 2012 PWAC Path Filing SPU Docket #WR12050380, Schedule DMO-3 - Per Settlement (Time 3 and 4).

<sup>5 (5)</sup> Line 24 of the current month plus line 28 of the prior month less line 15 of the current month, the line 28 of the current month plus line 28 of the prior month less line 15 of the current month.

56 (5) The ROR utilized for the period 4/11/2 - 4/34/12 is based upon the ROR per Board Order in the Base Rate Case BPU Docket (MARI-1004/200.

57 (7) The ROR utilized for the period 5/11/2 - 3/31/13 is based upon the ROR per Board Order in the Base Rate Case BPU Docket (MARI-1070480.

<sup>58 (6)</sup> When cales for all entities were based upon accust municiply water sales.

<sup>59</sup> For Selforment - promised exempt rate reliects 22 days of the PWAC rate of \$0.3409 effective \$0.2312 per BPU Docket #WE11050390,

# CONFIDENTIAL: FOR SETTLEMENT PURPOSES ONLY, NOT FOR EVIDENTIARY USE.

# New Jersey American Water Company Statement of Pro Forma PWAC PWAC Year 4/1/2014-3/31/2015

Yew Jersey American Water Company 3PU Docket No. WR13111038 Nitness Responsible: Dante M. DeStefano

Schedule DMD 3 (updated 2/24/14) PWAC Filing Year: 4/1/2013 - 3/31/2014

12			*******************************		Pa
İ	CALCULATION of PWAC Rates	or Year 4/1/20	14-3/31/2015 With	out Compression (	regular calc.)
	(5)				(2)
,	Des former Dissertational Minter Com. 1988 C. Varia 4/9	itea omake w	. L mmm as		Regular Calc.
2	Pro forma Purchased Water Exp PWAC Year 4/0				\$30,521,1
•	PWAC True-up from PWAC Year 4/01/13-3/31/14	(Schedule DMD-	2)		<b>573</b> ,4
i i	Pro forma filing costs @ 50% (Schedule, DMD-12)				4,0
}	sub-total (lines 2+3+4)				\$31,398,5
:	Gross-up factor for Uncollect, Exp. & Actual 2014 E	PU / Div. Rate C	ounsel Assessment	s <b>(1</b> )	0.99
) ]	PWAC for Recovery 4/1/14-3/31/15 pre-GRFT (line	. C / M			
i	THE OF RECORDS AND LONG OF LANDS	: 0 / 0 /			\$31,635,8
2	Total Projected Water Sales subject to PWAC (100	0 gallons) (line 5	1) (3)		81,076,3
•			, 1-p		01,0/0,3
•	PWAC Exempt Rate per 1000 gallons (line 10 /	12)			\$0.39
ĭ	mark a bloom become a second or seco				* <del>nivision.</del>
,	PWAC Non-Exempt Rate per 1000 gais. (line 14)	grossed up for	GRFT @ 13.76%)	(2)	\$ <u>0.45</u>
•					
l I					
	Pricing				
	Exempt Sales				
	Projected Exempt Water Sales subject to PWAC (1)	000 gallons) (line	50) (3)		<b>∴</b> 404 ™
	PWAC Exempt Rate per 1000 gallons (line 14)	· · · · · · · · · · · · · · · · · · ·	/ 5-4		2,491,7! \$0,390
	PWAC Exempt Revenue				\$0,39 \$972,2
					<u>Ψ512,Ω</u>
	Non-Exempt Sales				
	Non-Exempt PWAC recovery pre-GRFT (fine 10 - 2	(4)			\$30,663,5
	Non-Exempt PWAC recovery grossed-up for GRF1	(line 27 / (1009	6 - 13.76%)}		\$35,556,0
	Desired Non-avamet Mistae Calae author 4 - Pass	NO 24000 II	Atan Eng. 4mi		
	Projected Non-exempt Water Sales subject to PW/		) (iine 50) (3)		78,584,58
	PWAC Non-Exempt Rate per 1000 gallons (line 16 PWAC Non-Exempt Revenue	")			\$0.452
	L BANDO JANJUEYGUIÑY L/GABUM				\$35,569,52
1	Total PWAC Revenue (in. 24 + 32)				\$36,531,82
	•				\$30,031,82
_					
	Votes:				
	(1) Uncollectible rate @ 0.47% per 3-year average of 201	1-2013 uncollectit	ale rates and Actual As	sessment Rates	
	@ 0.2845026197318% (combined) (BPÜ = 0.23 for 2014). Gross-up factor ( 100% - (0.47% + 0.23597	U400J1U140% f0 7367808844 ar 80	it 2014, Kale Couris Lossa	el = 0.0540353095868	1239%
ŧ	2) NJAWC Authorized GRFT rate is 13.76% per Do	ket #WR110704	160		
ì	3) Projected water sales are an average of calendar	years 2011, 201	2 and 2013 actual w	ater usage, as datalia	d halow
•					w multiples
	Water Sales (1000 gals.)				
	Area	Exempt	Non-Exempt	Total	
	SA1, SA-1A & SA-1B	280,758	43,432,103	43,692,859	(3a)
	SA2	2,231,041	33,591,038	35,822,079	
	SA3		1,581,440	1,561,440	_(3b)
	NJAWC Total Authorized Water Sales Less: Manasquan	2,491,797	78,584,581	81,078,378	
	Pro Forma Water Sales subject to PWAC	2 /04 202	79 554 504	the same of the sa	Removed from SA-1
	LIGITORIA SERES ORICS SUBJECT TO PANCE	2,491,797	78,584,581	81,078,378	į

to the 5-year average shown in SIR-15, workpaper 5, page 2 of 3 filed in Docket #WR11070460.

(3b) Water sales for former Jensens Run customers were added to the non-exempt column for SA3. These additions equate

# New Jersey American Water Company Statement of Lakewood Sewer Service Actual Purchased Wastewiter Treatment Operating Expense - PSTAC Sewer Service Prior PSTAC Year AHH3 - 3/31/14

New Jersey American Water Company BPU Docket No. WR13111938 Witness Responsible: Dante M. DeStefano

Schedule DMD-4 (updated 2/24/14) PSTAC Flling Yea

rear.	4/1/20	113 -	3/31	12014	
			P	age 1	

Line														
No.	Purchased Wastewater Treatment	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Nar-14	Total
3 3	akewood Sewer Service													•
8	<u>Journal Entres</u> EntresiAconses (1) Total Bai. Purch. Wastewater Treat. AIC 511100	\$0 \$0		\$0 \$0	50 50	\$0 \$0	\$0 \$0	\$0 	\$0 \$0				\$6 \$0	<u>\$0</u>
8					30		30	30	30	\$0	<u> </u>	şu_	307	30
10	Asilustinants Additions/Vouchers Ocean County Utilities Authority (OCUA) Vouchers (2) OCUA - 2013 Deficiency Charge Voucher (2)	<b>\$</b> 0	\$0	\$1,261,650	\$1,261,650	\$0	<b>\$</b> 0	\$0	\$0	\$1,261,650	\$0	\$1,271,355	<b>\$0</b> (48,525)	\$5,056,305 (48,525) 0
15	Total of Additions	\$0	\$0	\$1,261,650	\$1 261 650	\$0	\$0	\$0	50	\$1,261,650	50	\$1,271,355	(SAR 526)	\$5,007,760
16 17					A 11 11 11 11 11 11 11 11 11 11 11 11 11		<del></del>			W 1, M. 1, W. 10		wire reliable	14-10-0659	
19 20	Eliminate Accrusis for Account	\$0	\$0	\$0	\$6	\$0	20	\$0	\$0	\$0	20	\$0	\$0	\$0 0
	Total of Eliminations	\$0	\$0	\$0	\$0	\$0	\$10	\$0	SET	\$0	50	\$0	\$0	\$0
22 23 24	Total Purch, Westewater Treet. Exp. As Adjusted	50	\$0	\$1,261,650	\$1,261,650	\$0	\$0	\$0	\$0	\$1,261,650	\$0	\$1,271,355	(\$48,525)	\$5,007,780

24
25
26 Notes:
27 (1) Journal Entries/accrusis are based on actuals.
28 (2) February 2014 Invoice based on 1/24/14 letter, and March 2014 Deficiency Credit per 1/31/14 letter.
29
30

# New Jacony American Water Company Statement of Lakewood Server Service PSTAC True Up Schedule - Revenue and Operating Expense - PSTAC Sewer Service Prior PSTAC Year 4M/13 - 3/81/14

**New Jersey American Water Company** BPU Docket No. WR12111038 Witness Responsible: Danie M. Delitatano

Schedule DMO-6 [updated 2/24/14] PSTAC Filing Year: 471/2013 - 3/31/2014

Page 1

Line	)	Note (1)												····	
No.	Purchased Waslawster Treatment	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	\$ep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total
2	Lakennod Sever Service														
4 5	Total Billed PSTAC Revenue (2) GRFT tax sels (NA) (3)		\$431,711 0.0%	\$386,931 0.0%	\$387,060	\$368,727 0.0%	\$357,354 0.0%	\$388,097 0.0%	\$385,381 0.0%	\$379,638 0.0%	\$362,530 0.0%	\$409,589 0.0%	\$318,983 0.0%	E90,8782 AFQ.0	\$4,544,984 0.0%
5 7	Billed PSTAC Revenues not of GRFT	-	\$431,711	\$366,931	\$367,060	\$388,727	\$367,354	\$348,097	\$385,381	\$379,636	\$362,636	\$409,588	\$314,983	\$318,983	\$4,644,984
	Lana: Uncollectibles & BPUIDIV, Rate Counsel Exp. Factor (5)	_	0.9923	0.9923	0.9423	0.9923	0,9873	0.9923	0.9923	0.9923	0,9923	0 9923	0.9973	0.9923	0 9923
9 10 11	PETAC Rev. net of GRFT; UncolL, BPL/DRC exp. (line 8%)		\$425,387	\$363,952	\$364,080	\$385,734	\$384,371	\$386,109	\$382,414	\$376,715	\$359,730	\$406,435	\$316,527	\$316,527	\$4,609,990
	Leak PSTAC True-up Over-receivery of (\$855,581)		(72,391)	(72,390)	(72,390)	(72,390)	(72,390)	(72,390)	(72,390)	(72,390)	(72,390)	(72,390)	(72,390)	(72,390)	(868,681)
17	Total PSTAC Revenue set of Cost recoverise detailed above	•	\$500,778	\$456,342	2456,470	\$458,124	\$456,761	\$467,499	\$454,804	\$449,105	\$432,129	\$478,825	\$368,917	\$388,917	\$5,378,571
19 20 21	gen - man and and any		ð	Q	1,251,650	1,261,860	ů	a	O.	à	1,261,650	Q	1,271,355	(48,525)	5,007,780
22	Total PSTAC True-up Salazios	_	~~~	****			W. W							****	·
23 24	for any and a second a second	-	(\$500,778)	(\$456,342)	\$806,180	\$803,526	(\$456,761)	(\$457,499)	(\$454,804)	(\$449,105)	\$829,521	(\$478,835)	\$882,438	(\$437,442)	(\$370,891)
25 26	Interprison Conculation Total PSTAC Consulative True-up Balazace														
27	(Over-Recov.)/ Under-Recov. (4)	(\$868,881)	(\$1,297,088)	(\$1,6a1,020)	(\$803,450)	\$72,488	(\$311,905)	(9697,014)	(\$1,079,428)	(\$1,456,143)	(\$554,232)	(\$960,667)	(85,839)	(\$370,441)	
29 30 31			(1,082,875)	(1,489,044)	(1,242,235)	(365,492)	(119,720)	(504,480)	(888,221)	(1,267,786)	(1,905,185)	(757,450)	(483,253)	(188,366)	
32 33	:   Överali RÖR Per Dooket SPLHNR11678460 t51		A.0398%	6.0308%	8.0398%	#.0398%	5.0368%	8.0396%	4.0306%	8.0386%	8.6396%	8.0398%	8.0396%	8.0398%	
34	Marting Overall Rate of Return		0.67%	0,57%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	6.67%	0.67%	0.67%	
	Internation True-up Betricos - (Over) / Under	•	[\$7,255)	(39,977)	(\$4,323)	(\$2,449)	(\$802)	(\$3,380)	(\$5,951)	(\$8,494)	(\$6,735)	(85,075)	(\$3,238)	(\$1,262)	(#62,941)
36	<b>}</b>	•													

(\$433,832)

37 36 Total PSTAC (Over-Recov.) / Under-Recov. Including Interest

Total PSTAC (Over-Recov.) / Under-Recer. Including Interest

39

40 Notes:

41 (1) Musch 2013 represents the Total PSTAC True-up belance for Lakewood Sewer per Schedule DMO-Ss.

42 (2) Siled PSTAC revenues are based on accusis, accept autimate utilized the Sport September Section of the United Section (not applicable to autimate treats) and the Unicollection/SPU/File Council expense factor utilized herein is per Schedule DMO-11 - Per Settlemans, SPU Occlust #WR12111019.

44 (4) Line 22 of the current month plus line 27 of the prior month line fine 12 of the current month plus line 27 of the period 4/1/13 - 3/31/14 is bessed upon the ROR per Board Order in the Same Rate Came SPU Docket #WR11070460.

45 (5) The ROR utilized for the period 4/1/13 - 3/31/14 is bessed upon the ROR per Board Order in the Same Rate Came SPU Docket #WR11070460.

46 (5) The ROR utilized for the period 4/1/13 - 3/31/14 is bessed upon the ROR per Board Order in the Same Rate Came SPU Docket #WR11070460.

## **New Jaraey American Water Company** Statement of Laterwood Sewer Service PSTAC True Up Schedule - Revenue and Operating Expense - PSTAC Sewer Service Prior PSTAC Your 47/7/2 - 3751/13

**New Jersey American Water Company** BPIJ Docket No. WRT3111034 Vittness Responsible: Durite M. DeStefano

Schedule DolD-da PSTAC Filing Year: 4/1/2013 - 3/31/2014 Page 1

Line		Hote (1)										<del></del>			
NO.	Purchased Wastewater Treatment	Mar-12	Apr-12	Men#12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-12	Mar-13	Total
2	Lairnence Sever Service														
	Total Billad PSTAC Revenue (2) GRFT tex rain (NIA) (3)		\$429,193 0.0%	\$430,702 0.0%	\$434,360 0.0%	\$433,648 0.0%	\$433,756 0.0%	\$436,050 0.0%	\$434,559 0.0%	\$454,682 0.0%	\$451,153 0.0%	\$488,625 0.0%	\$469,990	\$430,075	\$5,316,806
	Billed PSTAC Revenues net of GRFT	_	\$429,193	\$430,702	\$434,360	\$433,648	\$433,759	3436,050	\$434,559	\$454,882	\$451,163	\$468,625	\$459,990	0.0% \$430,976	56,316,808
8	Least Uncollectibles & BPUrDiv. Rate Counsel Exp. Factor (3)		0.9915	0.9916	0.9916	0.9916	0.9919	0.9916	0.9919	0.9925	0.9925	0.9925	0 9925	0.9825	0.9920
9 10 11	PSTAC Raw, mat of GRFT, Lincoll, SPUIDRC sep. (See 878)	_	\$425,588	\$427,084	\$430,711	\$430,005	5430,115	\$432,367	\$431,022	\$451,272	\$457,704	\$465,110	\$468,465	\$426,840	\$5,274,312
	Lees: PSTAC True-up Over-recovery of (\$411,091) from PSTAC Year 4/11-3/12 divided by 12 mos.[4]		(34,253)	(34,258)	(34,258)	(34,258)	(34,258)	{34,258}	(34,256)	(34,258)	(34,256)	(34,258)	(34,258)	(34,258)	(411,091)
17	Total PETAC Revenue net of Cost recoveries detailed above		\$459,841	\$461,342	\$464,060	\$464,283	\$464,373	\$400,645	\$465,280	\$465,530	8491,952	\$499,368	\$500,723	\$461,107	\$5,685,403
19 20 21	Total Purch, Washevaler Treet, Exp. As Adjusted - (per Schedule DMD-4, In. 23)		Đ	q	<b>c</b>	1,310,175	1,310,175	4	ā	a	1,310,175	g	947,984	a	4,876,508
	Total PSTAC Tyus-up Salance														
23 24	[Over-Recovered] / Under-Recovered (in. 16 ~ 17)	~	(\$459,841)	(\$451,342)	(\$484,969)	\$845,912	\$645,802	(\$456,645)	(\$485,280)	(\$485,530)	\$818,213	(\$489,388)	\$447,261	(\$481,107)	(\$806,893)
	Interest Calculation Total PSTAC Cumulative Trus-up Balance														
27 28	(Over-Recov.) / Under-Recov. (5)	(6411,091)	(\$836,879)	(\$1,263,763)	(\$1,694,474)	(\$814,304)	\$65,756	(\$365,631)	(\$797,653)	(\$1,246,825)	(\$3 <del>96</del> ,454)	(\$861,564)	(\$380,044)	(E86,893)	
	Average of the Current & Prior months Cumulative True-up Balances		(623,865)	(1,060,221)	(1,479,118)	(1,254,380)	(374,274)	(150,437)	(582,142)	(1,023,286)	(822,589)	(629,009)	(620,804)	(593,469)	
32 33	Overall Rate Of Return Per Declart BPUIPARI 10040260 (6) Overall ROR Per Docket SPUIPARI 1070480(7)		8.3248%	#.030 <del>0%</del>	B.030894	8.0362%	8.0398%	8.D398%	8.0399%	8.83 <b>98%</b>	3.0398%	8.0398%	#.0398 <b>%</b>	8,0398%	
	Monthly Overall Rate of Return		0.69%	0.67%	0.67%	0.57%	0.67%	0.67%	0.67%	0.67%	0.57%	0.67%	0.87%	0.67%	
35 36	Interest on True-up Balances - (Over) / Under	-	(\$4,305)	(\$7,036)	(\$9,910)	(\$9,454)	(\$2,508)	(\$1,006)	(\$3,900)	(36,856)	(33,512)	(\$4,214)	(\$4,159)	(\$3,976)	(\$61,788)
37	<b>-</b>													_	
34	Total PSTAC (Over-Recov.) / Under-Recov. including trees	ret													(\$468,661)

10 (10 March 20 (2 represents the Total PSTAC True-up betance for Lakewood Sewer per Schedule DMD-11 - Per Settlement, Sine 2, 2012 PSTAC Rate Filing SPU Docket \$V#R12050380, 42 (2) Billed PSTAC revenues are based on actuals.

43 (3) The GRFT rate (not applicable to wastewater treatment costs) and the Uncollectible/BPU/Rate Council expense factor utilized herein in per Schedule DMD-11 - Per Settlement, BPU Docket \$V#R12050390, 43 (3) Amount per line 2012 PSTAC Rate Filing SPU Docket \$V#R12050390, 5chedule DMD-11 - Per Settlement in per Schedule DMD-11 - Per Settlement, BPU Docket \$V#R12050390, 44 (4) Amount per line 2012 PSTAC Rate Filing SPU Docket \$V#R12050390, 5chedule DMD-11 - Per Settlement in per Schedule DMD-1

45 (5) Line 23 of the current month plus line 27 of the prior month less line 12 of the example month.
 45 (5) Line 23 of the current month plus line 27 of the prior month less line 12 of the scarce month.
 46 (3) The ROR utilized for the period 4/f/12 - 4/30/12 is based upon the ROR per Sourci Order in the Saxe Rate Case SPU Docket st/R10/40280.
 47 (7) The ROR utilized for the period 6/f/12 - 3/31/13 is based upon the ROR per Sourci Order in the Saxe Rate Case SPU Docket st/R11/10/40280.

48 49 50 51

# New Jerney Striken of Adelphia Service Actual Purchased Washwater Transment Operating Expensa - PSTAC Service Service Prior PSTAC Vest 4H13 - SSHA

New Jersey American Water Company BPU Docket No. WR1311936 Witness Responsible: Danle M. Destefano

Schedule DMD-6 (updated 2/24/1-1) PSTAC Filling Year 47/2013 - 3/21/2014

Page 1 SIS 0 \$5,582 \$1,022,384 \$0 \$1,016,802 \$5,582 5,582 T 88 88 8 8 Feb-14 88 \$25A,201 \$25,20 Jan-14 88 8 3 Dec-13 88 8 8 Nov-13 88 \$254,201 \$254,201 O#13 R 88 8 Sep-13 88 8 8 Aug-f3 88 \$254,201 \$254,201 Jul-13 8 88 8 Jun-13 88 8 8 Epyrl3 88 \$254,201 \$254.201 Apr-13 9 Additionalize
10 Additionalize
11 Howell Two - Vouchers Paid in PSTAC Year (1)
12 Howell Two - Vouchers Paid in PSTAC Year (1)
13 Howell Two - Vouchers Paid in PSTAC Year (1)
14 Total of Additions
16 Eliminations
17 Eliminations
20 Total of Eliminations
21 Total of Eliminations
22 Authors
23 Notes:
24 Notes:
25 Notes:
26 Notes:
27 (2) Jaumal Embissionarusis are besend on actuals:
28 (3) True-up preyment in March 2014 for the January:
29 (3) True-up preyment in March 2014 for the January:
29 Aconals (2) Total Ball, Purch, Westewstar Treat, AC 511100 Purchased Wastewater Treatment Adelphia Sewer Service

Total Purch. Westswater Treat. Exp. As Adjusted

Notes:

(1) The 1/2014 quarterly payment of \$254,201 is estimated based upon lest year's psyments. The actual quarterly payment is updated in March 2014, see Note 3, (2) Journal Entriesfocrusis are based on schlats.

(3) The up payment in March 2014 for the Jamusry 2014 billing.

8

8

8 R

8

8 8

8 8 尽

8 9

8 8

8

8

8

8

8 8 8

8 8 \$254,201

R

8

2054 201

8 8

\$254,201

\$5,562 \$1,022,384

8

4

3

# New Jersey American Communication PSTAC from Up Schoolule - Revenue and Operating Expenses - PSTAC Server Service Prior PETAC Year 4M13 - 281514

													Page 1	Page 1
Line No. Purchased Washinger Treatment	Mote (1) Map-13	Apr-13	El-Aug	Jun-13	57-495	Aug-fä	Sec.13	Sep.43	No.			Š		
Addithit Saver Berrica										, I	1		2-12	120
Total Billed PSTAC Revenue (2) (1987) for me (1981) (1)		578,811	686,088	\$96,636	\$26,214	159,627	18,48	\$76,526	220, 157	578 6W	503 017	504	200	77
Billing DETAIL Beneauth and of CHAT	I	808	1600	900	0.0%	200	2500	100	800	600	*00	100	100	**************************************
		370,011	200,000	\$345,038	\$100°214	\$45,927	294,367	\$76,526	290,187	\$76,654	116,583	100 l 022	220,102	\$1,047,654
Less Uncollections & SPUIDH. Rate Coursel Esta Factor (2)	_	0.9823	0.9823	0.9923	0.5623	0.9923	0.9923	0.8903	120021	6000	2600	0	2000	
reine her mest undit, Untell, Bruchte aup (me 616)		\$78,220	\$50,375	20. A.S.	\$36,673	\$86,286	283,540	\$75,937	\$82,463	576,064	102,202	122,043	122,047	\$1,039,567
11 12 teer PSTAC The-up Under-recovery of \$54,340 13 from PSTAC Year 475,343 deided by 12 man [1] 14		2,867	2,882	2,542	2,862	2,862	2,862	2,862	2,662	2,862	2,862	2,882	2,862	54,348
Total PSTAC Revenue net of Cost recovering detailed above	ł	036,6T	17,513	31,444	82,811	R2,410	80,778	73,075	109'98	73,302	88,340	67,450	57.450	1.005 238
Total Purch Mantowater Treat. Exp. As Adjusted (per Estradule Distres, in, 22)		2 <b>4.</b>	•	•	254,201	d	O	264,301	•	•	254,201		2,542	1,022,384
Total PGTAC True-up Balence (OverHaparested) / Under-Recovered (hr. 17 – 18)	11	S16Q EAS	(\$77,813)	(391,444)	\$181,980	(542,403)	(890,778)	181	(\$86.60)	(2)3 2(0)	\$154.861	1547. 4591	75A 1 B 771	277.41%
Interest Calculation Total PETAC Cumutative True-up Balence (Diver-Recox.)/ Unider-Recox.,4)	25. 26. 26.	\$212,330	\$131,956	\$37,649	\$196,376	<b>\$11</b> 1.111	\$17.474	367,288	\$106.272.	1	8160,001			
Avverge of the Current & Prior months Cumidables Train-up Balances		123,336	172,142	34,802	117,012	154,744	122	108,603	161,603		111,207	\$47,046	56,515	
Overal FLOR Per Dociest SPUMARS 1670/680 (8) Monthly Overal Rain of Ralum Interest on True-up Bullencies - (Cher) / Unider	1 1	10.00 P. C.	8.0380% 0.67% \$1,453	A. CORPY. 0.5774 XXX	CESTS.	8.0388% 0.67% \$1,030	8.0389% 0.67% \$423	A.CCSBON. D. 6774.	8.03 <b>04%</b> 0.57% \$1.012	& 0.039% 0.67% \$487	6.0398% 0.67% 57.65	8 (C198% 0.67% \$985	8,0398% 0,67%	\$9, t04
Total PSTAC (Ovar-Recov.) I Under-Resov. Instuding interes;  Notes:  (1) March 2015 represents the Total PSTAC True-up teststock for Assiphte Sever per Schiscule DAID-7 a.  (2) Bidled PSTAC fever;use are bottled on actually, except explaines influed for Festivary March 2014.  (3) The GRPT risk (not applicable to vessiones treatment senting) and the Uscopicable displaying March 2014.  (3) The CRPT risk (not applicable to vessiones treatment treatment and the Uscopicable displaying for the Counted exp.  (3) The CRPT risk (not applicable to vessiones to the prior moralin has line 12 of the straint moralin power.	wes for Assolptica Science in the Science of the Sc	ewer per Schad xofficially libro xofficialization of the xofficial per schad	uis DMD-7a. Ugh March 2014 Rais Council ea	. Edinates ers perse kebrus	based on ump	per DMD-11 in: or Schoolie DMS	Estification s.m. beased on useque per DNLD-11 in Dockus; stVR12111019, multiplied by the aspificable rate, peres Auctor utilized beast in sper Schedule DNLD-11 – Per Settliegent, EPU, Dockes (SVR 92111019,	11019, multiplied ment, ETU Dock	by the applicat				11	891,718
(4) I fire starts and the period 42/13-226174 is beind upon the RCN per Board Order in the Base Reis	A No.	per Boued Order	in the Rose Ask		Case BPU Cocket MAR 11070ASC	2 <del>4</del>								

# New Jerney Americans Weber Company Statement of Adelphia Sever Service PSTAC True Up Schedule - Revenue and Operating Expense - PSTAC Sever Service Prior PSTAC Year 4/1/12 - 3/51/13

New Jersey American Water Company BPU Docket No. WR13111038 Witness Responsible: Dunte M. DeStefano

Schedule Dato-74 PSTAC FRING Year: 4/1/2013 - 4/31/2014

	_

	Parchased Washwater Treatment	Note (1) Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	8ap-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Total
Ada	tiphia Sever Sarvice														
	ni Billed PSTAC Revenue (2) FT lax rain (NiA) (3)		\$95,387 8.0%	\$84,411 0.0%	\$69,916 0.0%	\$38,264 0.0%	\$89,850 0.0%	\$101,573	\$82,580 0.0%	\$46,249 0.0%	\$78,294 0.0%	\$50,512 0.0%	\$85,704 6.0%	\$71,951 0.0%	\$1,053,793 C.OW
	ed PSTAC Revention not of GRFT		\$96,387	384,411	\$90,915	\$95,284	\$69,650	\$101,573	\$82,580	\$86,249	\$76,294	\$80,512	\$85,704	\$71,051	\$1,053,793
	n: Uncollectibles & SPUIDIV, Rate Counsel Exp. Factor (2		0.9915	0.9916	0.9915	Q.9916	0.9916	0,9916	D.9912	0.9925	0.9925	0.9925	0.9925	0.9925	0 9920
PS	FAC Rev. net of GRFT, Uncoll, SPEJORC exp. (line 618)	_	\$94,586	\$83,702	\$39,079	\$97,439	\$89,095	\$100,720	208,186	\$85,932	\$77,707	\$79,908	\$65,061	\$70,615	21,040,325
Lee	at: PSTAC True-up Under-recovery of \$84,916 from PSTAC Year 4/11-3/12 divided by 12 mos. (4)		7,000	7,078	7,076	7,076	7,078	7,076	7,976	7,070	7,076	7,076	7,076	7,078	84 916
Tot	ni PETAC Revenue netof Cost recoveries detailed above		87,508	75,528	\$2,003	90,363	82,019	93,644	74,832	78,526	70,631	72,832	77,985	63,442	960,409
Tot	al Purch, Vilanovator Treat, Exp. An Adjunted - (per Schedule DMO-8, Nr. 22)		248,853	0	٥	248,853	ō	ê	248,853	a ·		246,853	D	7,348	994,758
	ni PSTAC Trus-up Balanes	_			•										
(O)	rer-Recovered) / Under-Recovered (In. 17 - 16)	-	\$159,347	(\$76,826)	(\$82,003)	\$156,490	(\$22,019)	(\$93,544)	\$172,021	(\$78,526)	(370,631)	\$174,021	(\$77,985)	(\$56,094)	\$34,349
Tot	erast <u>Calculation</u> at PSTAC Cumulative True-up Balance (Over-Recov.) / Under-Recov. (6)	\$84,916	\$237,183	\$153,481	\$54,402	\$203,816	\$114,720	\$14,000	\$178,945	\$93,348	\$15,638	\$182,580	\$97,519	\$34,349	
	mage of the Current & Prior months Cumulative True-up Selances		181,048	196,332	103,941	129,106	150,258	64,360	96,472	136,144	54,489	99,198	140,050	65,934	
Ow	erali Ratu Cif Return Per Docket BPUMWR10040260 (8) erali ROR Per Docket BPUMWR11070460 (7)		£.3248%	8.0398%	0,02368%	8.0396%	8.0396%	£.0396%	4.0396%	#789EXX.6	8.0382%	8.9396%	8.0398%	6.0398%	
	nthly Overall Rate of Return	-	0.59%	0.67%	0.67%	0.67%	0.67%	0,67%	0.67%	0.67%	0.57% \$385	0.67% \$864	0.67% \$935	0.67%	\$9,446
i kritin	met on True-up Belances - (Over) / Under	-	\$1,111	\$1,309	20.96	1865	\$1,097	\$431	\$646	\$912	2300	3004	9590	\$442	92,140

36 Total PSTAC (Over-Recov.) / Under-Recov. Including Interest

\$34,349

# 37 38 39 Highny;

- 40 (1) March 2012 represents the Total PSTAC True-up balance for Adalphia Sewer per Schedule DMO-11 Per Settlement, im 8, 2012 PSTAC Rate Filing BPU Doctot \$ARR12050390.
  41 (2) Billind PSTAC revenues are based on actuals.
- 41 (2) Bred PH3 AC reventions are based on actuals.
  42 (3) The (RNT risk) (not applicable to vessionwheld released the Uncollectible/RPURrisk Council expense factor utilized herein in per Schiedule DMD-11 Per Settlement, BPU Docket #AR12050390.
  43 (4) Amount per the 2012 PSTAC Rate Piling BPU Docket #AR12050390, Schiedule DMD-11 Per Settlement line \$.
  44 (5) Line 21 of the current worth place line 25 of the prior month late line 12 of the current month.
  5 (5) The ROR utilized for the period 5/1/12 S031/13 is based upon the ROR per Board Order in the Sear Rate Case SPU Docket #AR10040250.
  45 (7) The ROR utilized for the period 5/1/12 S/31/13 is based upon the ROR per Board Order in the Sear Rate Case SPU Docket #AR10040250.

- 47 48 48

# New Jersey American Waier Company Statement of Ocean City Seven Service Actual Purchased Wattewater Tradynant Operating Expanse - PSTAC Seven Service Prior PSTAC Year 4H13 - 35414

New Jessey Azmeican Webs Company BPU Docket No. WR53111538 Witness Responsible: Devin M. DeSiefano

United	3 Oct-13 Mov-13				
Nor Trend. AUC 5111600 870 870 870 870 870 870 870 870 870 8					
				7-10-14 Mart-14	100
	S	<b>3</b> 3	ß	8	
			B	8	3
Adustments   Additional/outliness					
10 Cape May County Municipal Lilidide Authority - Vouchere(1) 50 \$2,062,601 \$0 \$2,052,601	\$139°2300'235 035 035	C\$	8	\$0 \$2,069.547	\$6.257.35
	09730725 08 08	<b>3</b>	æ	(611,936) \$0 \$1,457,810	(611,936) \$7,645,413
Similar Section 1997					
17 Total of Emination	<b>3</b>	95 95	S	8	b
			S		8
20 SO	50 52 052 801	100	S	SO S1457 610	ET RAE AUS

# New Jersey American Water Company Statement of Ocean City Sower Service PSTAC True Up Schedule - Revenue and Operating Expense - PSTAC Sewer Service Prior PSTAC Year 4M/13 - 3/6/1/4

New Jersey American Water Company SPU Dockel No. WR15111G38 Witness Responsible; Dante M. DeStelano

Schedule DMD-9 (updated 2724)14) PSTAC Filing Year: 4/1/2018 - 3/31/2014 Page 1

ine io.	Purchand Wastewater Treatment	Hole (1) Mar-13	Apr-13	May-12	Jun-93	Jul-13	Aug-13	Sep-13	Oct-13	Nay-13	Dec-13	Jan-14	Feb-14	Mar-14	Total
22	San, City Server Service			, , , , , ,											
	tat Bland PSTAC Revenue (2)		\$718,358	\$713,853	\$007,979	\$711,014	\$710,370	\$720,533	\$175,552	\$686,338	\$1,147,981	\$713,545 .	\$671,293	\$671,293	\$8,335,110
	RFT has cade (NUA) (3)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	- G.0%	0.0%
-	Sed PSTAC Revenues net of GRFT		8716,360	\$713,863	\$897,979	\$711,014	\$710,370	\$720,533	\$175,652	\$696,336	\$1,147,981	\$713,545	\$671,293	\$671,293	\$6,336,110
	ex: Uncollectibles & BPU/Div. Rate Counsel Exp. Factor (3)	_	0.0023	0.9923	0.9923	0,9923	0.9923	0.9923	0.9823	0.9923	0.9922	0.9923	0.9923	0.8923	0.9923
P8	STAC Ray, not of GRFT, Lincoll., EPLIFORG exp. (Inc 878)		\$710,843	\$706,356	\$602,806	\$705,539	\$704,900	\$714,985	\$174,200	\$661,053	\$1,139,142	\$708,051	\$666,124	\$566,124	\$8,271,922
2 3	es: PSTAC True-up Under-recovery of \$536,357 book PSTAC Year 4Y2-3H3 divided by 12 mos. (1)		44,613	44,614	44,614	44,614	44,614	44,614	44,514	44,814	44,614	44,614	44,614	44,614	535,367
i To	tal PSTAC Revenue rist of Cost recovering detailed above	-	686,230	663,742	647,991	560,925	660,266	670,371	129,686	536,43g	1,094,528	663,437	621,510	£21,510	7,736,555
	ital Purch. Westervister Treat, Exp. As Adjusted - (per Schedule DMD-8, in. 18)		đ	<b>2,962,60</b> 1	G	O.	2,062,661	ū	Q	2,082,681	٥	0	0	1,467,810	7,645,413
9 70	sini PRTAG Trus-up Balanca Nor-Recovered) / Under-Recovered (In. 17 – 15)	-	(\$866,230)	\$1,396,859	(\$647,991)	(\$880,926)	\$1,402,315	(\$670,371)	(\$129.586)	51,428,162	(\$1,094,526)	(5663,437)	(\$621,510)	\$836,100	(\$91,142
u To	larest Calculation Nat PSTAC Cumulative Trus-up Balance (Over-Recov.)/ Under-Recov. (4)	\$535,367	(\$176,476)	\$1,178,789	\$456,164	(\$219,375)	\$1,134,326	\$423,341	\$249,141	\$1,630,689	\$491,547	(\$216,504)	(\$882,625)	(\$91,142)	<b>VVV</b>
7 Av 5 9	verage of the Current & Prior months Cumulabve True-up Balances		179,946	501, <del>84</del> 7	832,464	133,394	452,475	760,833	336,241	936,915	1,061,118	137,521	(549,566)	(486,865)	
	reral ROR Par Ducket BPUMARI1078480 (4)		8.0396%	#.0398%	4.0398%	4.0300%	8.0398%	4.0396%	8.6396%	8.0398%	8,0398%	8.0398%	<b>20303%</b>	8.0398%	
	ontiny Overall Rate of Return	_	0.87%	0.67%	0.67%	0.87%	0.67%	0.67%	0.87%	0.67%	0.67%	0.67%	0.67%	0.67%	
13 (p)	immet on True-up Balances - (Over) / Lincher	_	\$1,208	\$3,34 5	\$5,578	3894	\$3,078	\$5,232	\$2,253	\$6,297	\$7,109	\$921	(\$3,682)	(\$3,282)	\$28,985

36 Yetsi PSTAC (Over-Recov.) / Under-Recov. Including Interest 37 38 Notes:

(\$81,142)

38 (1) Match 2013 represents the Total PSTAC True-up between for Cosan city Server per Bohedule DMD-8a.

40 (2) Siled PSTAC Toveruses are based on accusis, eccept episcetes utilized for Petrousry Swooph March 2014. Monthly revenue estimates are based on 2013 summer quarter usage multiplied by the applicable cale.

41 (8) The GRIFT rate (not applicable to wanteweller treatment costs) and the Uncollectible/SPURate Council expense factor utilized herein is per Schedule DMD-11 - Per Settlement, SPU Clocket SWR12111016.

42 (4) Line 21 of the current month plus line 25 of the prior month less line 12 of the current month.

43 (5) The RCR utilized for the period 4/1/13 - 3/31/14 is based upon the RCR per Board Order in the Base Rate Case BPU Occles/SWR11070440.

44

45

# Mens Januari of Commo Chy Sewer Service PSTAC True Up Schedule - Revense and Operating Expense - PSTAC Sewes Service Prior PSTAC Veric AMY 2 - 2051/13

Schedule Dailo-tu

New Jerusy American Water Company IEPU Doctor No. WR13111038 Witness Responsible: Darie M. DeStefano

Š															Page
<u> </u>	Purchased Wastewater Trestment	May-12,	Apr-12	###y-12	Jun-12	114-12	A.m.42	•	;	:					
N #	Street City Benef Service							22.d	OC-12	Hor-12	D#6-52	Jan-13	Feb 13	· Mar-13 ·	Top
***	Total Ribed PSTAC Neventus (2) GRFT has refe (NA) (3)		3658,006	\$541,079	\$163,313	\$180,06C	\$864,067	\$560.134	EKOK 4KA	7					
<b>6</b> +	Billed builds stovenish has of sixth	1	2508.088	200	200	X00	00	800	90.0	0.00	100 to	\$0.4.00 \$0.00	\$680,082	\$554,040	\$7,270,008
. 40	Last: Cholectides & BPUIDA, Rate Coursel for Factors				or plant	#ren's16	/BO'took	\$500,134	\$506,464	3674,146	2863,185	\$674,804	\$650,082	1664,040	0.00 000 CX
<b>a</b> 2	PSTAC Rev. nated GRFT, Uncol., BPUDRC exp. (ene 6'3)	1	\$553,368	0.9016	0.9818 5548 Ren	0.9916	0.9518	0.9916	0.9919	0.9826	0.9925	0.9925	0.9825	0.8825	0.00
###	Lawe PSTAC True-up Over-money of (\$402,353) from PSTAC Yest 421-372 divisind by 12 man, (4)		(32,634)	(828,829)	(33,629)	(30,528)	(82,62)	(82 A23)	(34, 828)	(33.529)	112,808	145,686	\$656,131	2659,000	\$7,212,100
2 7 12	14 Plus: Discribiorary Adjustment from PSTAC year 471-372(8) 16 Total PSTAC Revenue met of Cost technisms detaind shows	i	2000	3000	30,00	20,000	000'02	20.003	20.000			in the second	(Total	(ST 14)	(402,355)
۲ ۲ چ			7796'000	560,063	562,194	500,638	582,962	588,958	615,067	982,619	671,740	683.073	20,000	20,000	240,000
: #	17 I com Fuch. Yessewater Trest, Rap. As Adjusted 18 (per Banedule DAID-s, In. 19)		9	2,032,822	•	•	2,632,622	ä	o	2,032,622	0	a		4 8 1 2 2 CK	2 000 poo
82.8	Total PSTAC Transp Salence (Over-Recovered) / Inder-Recovered (in. 17 -16)	į.	(\$666.802)	\$1,482,759	Ann cass	Control of the Contro			- 1			•	•	Orași III.	
		I					41,403,00U	(2568.958)	(\$615,057)	\$1,350,203	(\$571,740)	(\$663,073)	(\$568,660)	\$1 138 766	CA16 267
		(F402,363)	(122/9000)	\$580,567	\$51,902	(\$484,205)	\$1,018,184	2463.765	ACT 7880	70 04,		1	1		
	Average of the Current & Prior stouths Currents		(1508,037)	(177,5T7)	316.234	218.1521	267.480	100			787 SEC	(Jar'te)	(9636,828)	XXXX 2467	
0 8 8	Owing Rate Co Refer Ser Province and sections of			•					184,581	7 × ×	566,853	322,875	(519,362)	(50,760)	
	Ownell ROSE For Doctor BPUMMET 1075460 (7) Monthly Ownell Rose of Refun.		A.3246% 0.68%	B.OSCIPK O R.TRE	S. CORPOR.	\$10399%	E.Dassey,	# HECOTO	#8960°	& course	8.0386%	A COURTY.	# 07204**	1000	
	marken om inde-up salaksode - (Oras) i Urdør	1	(24,643)	(\$1,190)	EQ. 118	(51,446)	31,782	22 036 25 036	31.280	7. 28 CT	\$5,478	22.154	1007	0.67%	453 650
	Total PSTAC (Over-Recort.) / Under-Recor. Including Istemet	44													
3. 19. 19. 19. 19. 19. 19. 19. 19. 19. 19	Notes:  (1) March 2012 ingressrits the Total PSTAC Thus-up belance for Queen City Sewar per Schadule Darb-11 - Per Beldingerit, Sha 16, 2012 PSTAC Rate Filing BPU Doctart #NR12003030, (2) Bleed PSTAC reventees are based on achain.  (3) The GRF7 mas for applicable to weatherware transfer costs) and the Uncolescates (8PURate Council experies Michael PSTAC Rate Filing BPU Doctart #NR12003030, (5) Live 20 PSTAC Rate Filing BPU Doctart #NR12003030, (5) Live 20 PSTAC Rate Filing BPU Doctart #NR12003030, (6) Live 20 PSTAC Rate Filing BPU Doctart #NR12003030, (6) Live 21 of the current more place for the profession of 22 of the current more place for the profession and the period achieved achieved achieved the period achieve	Coosen City Su serial the Libox coccess, Sone is the f2 of the lime NOT per	ewer per Scheck Micables (Pulch Aufe Disc) - 15- P. e current moren. Boerd Order in e	sie DMcD-11 - Pa file Council expes or Settlement in the Base Rate C.	f Bellintherit, äns ner lectri celizar e 16.	1 15, 2012 PSTA of Percein is part 8 1 MARES CONTOURS	ic Rute Filing Bi Ichediur Dazio-1	Seldioment, Sna 16, 2012 PSTAC Rate Filing BPU Doctot sNAR12050550. To Seldioment, Sna 16, 2012 PSTAC Rate Clark DelD-11 - Per Seldiemant, BPU Doctot SNAR12060350. 18.	120508.90, 14. BPU Docue#1	MR12060380.				11	18 18 18 18 18 18 18 18 18 18 18 18 18 1

# New Jersey Atredican Water Company Summary Statement of Pro Forms Purchased Wastewater Treatment Expense PSTAC Year 4/1/2014-3/31/2015

New Jersey American Water Company BPU Docket No. WR13111038 Witness Responsible: Danta M. DeStefano Schedule DMD-10 (updated 2/24/14) PSTAC Filing Year: 4/1/2013 - 3/3//2014 Page 1

Lina No	Sewer Service Tariff Area / Vendor	Calandar Year 2014 Annual Changa (2)	Projected Increase Effective 1/1/2015	Projected Calendar Year 2015 Annual Charge	Pro Forma PSTAC Year 4/1/4-3/31/15 Expense
1	Adelphia Sewer Service	(4)	(2)	(*)	(5)
2	Howell Township	\$1,039,129 (1)	5.16% (18)	\$1,092,748	
3	Annual Charge:				
4	@ 9/12ths	779,347			
5	, @ 3/12thm			273,187	
8	Pro forma Annuel Cost PSTAC Yr. 4/1/2014-3/31/2015				\$1,052,534
7					
8					
9	Total Pro forma Costs PSTAC Yr, 4/1/2014-3/31/2015				\$1,052,534
10					
11	Lakewood Sewer Service	an man the			
12	Ocean County Utilities Authority	\$5,085,420 (2)	1.65% (24)	\$5,169,329	
13	A				
14	Annual Chama:  @ 9/12ths	3,814,065			
15 18	Q 3/12/hs	3,014,003		1,292,332	
17	Pro forms Annual Cost PSTAC Yr. 4/1/2014-3/31/2015			1,232,332	AE 400 ATT
18	OCUA's 2014 Estimated True-Up Deficiency Chg.				\$5,106,397
19	COUNTY TO 14 CONTINUES (144-04 Deligatory ong.				(34,795) (9)
20					
21	Total Pro forms Costs PSTAC Yr. 4/1/2014-3/31/2015				\$5,071,602
22	total classical control in a tracia control				35,071,002
	Ocean City Sewer Service				
24	Cape May County Municipal Utilities Authority	\$8,278,186 (4)	1.38% (4m)	\$8,392,425	
25	Annuel Chanze:	,			
26	Q 9/12the	8,208,640			
27	@ 3/12th#			2,098,108	
28	Pro forms Annual Cost PSTAC Yr 4/1/2014-3/31/2015				\$8,308,746
29					
30					
31	Table Day to the month of the Alember Small and Mark				-
32	Total Pro forms Costs PSTAC Yr, 4/1/2014-3/31/2015				\$8,308,746
33 34					
35					
38	Total PSTAC Costs for PSTAC Year 4/1/2014-3/31/2015				\$14,430,682
37	Endet Lin blue operation Laylor Law at Health And Health				\$14,430,002
38	Notes:				
39	(1) Estimated 2014 expenses based on actual usage September 2013-	January 2014, estimated us	son Fabruary 2014		
40	(1a) Reflects 3-year average of increases in total expenses for 2011, 20		and amount the list		
41	(2) Actual 2014 expenses per OCUA letter dated 11/25/2013.				
42	(2a) Reflects 3-year svarage of Increases in total expenses for 2012, 20	113, and 2014			
43	(3) Estimate based on actual deficiency charges/credits for the three cal		2013		
44	(4) CMCMUA's actual 2014 annual charge per the 2014 Liser Charge S	ystem Rate Setting Report.			
45	(4a) CMCMUA's estimated 2015 increase based on 3-year average of in	ncrement for 2012-2014			
48	•				
47					
48					
49					
50					

# New Jersey American Water Company Statement of Pro Forms PSTAC PSTAC Year 4/1/2014-3/31/2015

New Jersey American Water Company BPU Docket No. WR13111038 Witness Responsible: Dante M. DeStefano Schedule DMD-11 (updated 2/24/14) PSTAC Filing Year: 4/1/2013 - 3/31/2014

Page 1

Line CALCULATION of PSTAC Rates for Year 4/1/14-3/31/16 Without Compression (regular calc.) No. Regular Calc. Lakewood Sewer Service 1 Pro Forms Purchased Wastewater Treatment Excense - PSTAC Year 4/01/2014-3/31/2015 (Schedule DMD-10) \$5,071,602 2 PSTAC True-up from PSTAC Year 4/01/13-3/31/14 (Schedule DMD-5) (433,832)sub-total (lines 1 + 2) \$4,637,768 4 Gross-up factor for Uncollectibles Exp. & Actual 2014 BPU / Div. Rate Counsel Assessments [1] 0.9925 5 PSTAC for Recovery 4/1/2014-3/31/2015 (line 3 / 4) \$4,872,815 6 Total Projected Sewer Service Sales subject to PSTAC (1000 gallons) (2) 1,230,807 PSTAC per 1000 gailons (line 5 / 6) (3) \$3,7965 Adelphia Sewer Service 5 Pro Forms Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2014-3/31/2015 (Schedule DMD-10) \$1,052,534 B PSTAC True-up from PSTAC Year 4/01/13-3/31/14 (Schedule DMD-7) 17,146 sub-total (lines 8 + 9) \$1,089,680 10 11 Gross-up factor for Uncollectibles Exp. & Actual 2014 BPU / DIv. Rate Counsel Assessments (1) 0.8925 12 PSTAC for Recovery 4/1/2014-3/31/2015 (line 10 / 11) \$1,077,783 13 Total Projected Sewer Service Sales subject to PSTAC (1000 gallons) (2) 166,851 PSTAC per 1000 gallons (line 12 / 13) (3) \$6.4594 Ocean City Sewer Service 15 Pro Forms Purchased Westewater Treatment Expense - PSTAC Year 4/01/2014-3/31/2015 (Schedule DMD-10) \$8,306,746 15 PSTAC True-up from PSTAC Year 4/01/13-3/31/14 (Schedule DMD-9) (91,142)17 sub-total (lines 15 + 16) \$8,215,604 18 Gross-up factor for Uncollectibles Exp. & Actual 2014 BPU / Div. Rate Counsel Assessments (1) 0,9925 19 PSTAC for Recovery 4/1/2014-3/31/2015 (line 17 / 18) \$8,277,687 20 Total Projected Sewer Service Sales subject to PSTAC (1000 galions) (2) 344,784 PSTAC per 1000 gallons (line 19 / 20) (3) 21 \$24.0083

# Notes

<sup>(1)</sup> Uncollectible rate @ 0.47% per 3-year average of 2011-2013 uncollectible rates and Actual Assessment Rates @ 0.2845026197318% (combined) (SPU = 0.230466310149% for 2014, Rate Counsel ≈ 0.0540363095888239% for 2014). Gross-up factor (100% - (0.47% + 0.235972307595%)) or 99.25%.

<sup>(2)</sup> See Schedule DMD-11, page 2 for explanation of Projected Sewer Sales.

<sup>(3)</sup> Gross-up for GRFT not applicable - wastewater treatment costs are deductible from Gross Receipts when computing GRFT.

# New Jersey American Water Company Pro Forma PSTAC-Supporting Sewer Service Sales Worksheet PSTAC Year 4/1/2014-3/31/2015

New Jersey American Water Company BPU Docket No. WR13111038 Witness Responsible: Dante M. DeStefano Schedule DMD-11 (updated 2/24/14)
PSTAC Filing Year: 4/1/2013 - 3/31/2014
Page 2

Pro forma Lakewood Sewer Service Sales:	
Total Sales Lakewood	1,230,807 (1)
Pro forma Adelphia Sewer Service Sales;	
Total Sales Adelphia	166,851 (2) 166,851
Pro forma Ocean City Sewer Service Sales:	
Total Sales Ocean City	344,784 (3) 344,784

# Notes

- (1) Source: Average of customers' 2011, 2012 & 2013 actual wastewater consumption during the winter quarter, annualized. Also included is a usage adjustment to account for Lakewood minimum usage charges, which began 1/1/2011 as approved in Docket #WR10040260. This usage adjustment is consistent with that exhibited in SIR-14, Workpaper 5S, page 2 of 9 in Docket #WR11070460.
- (2) Source: Average of customers' 2011, 2012 & 2013 actual wastewater consumption.
- (3) Source: Average of 2011, 2012 and 2013 actual summer wastewater consumption.

# New Jersey American Water Company Statement of Pro Forma Filing Costs PWAC Year 4/1/2814-3/31/2815

New Jersey American Water Company BPU Docket No. WR13111938

Schedule OMD-12 PWAC Filing Year: 4/1/2013 - 3/31/2014

Vitness	Responsible: Dante M. DeStefano		Page
Line			
No.			
1		Estimated	
2		Pro Forma	
3		Filing Costs	
4			
5	Legal	\$0	
6	Public Noticing	5,000	
7	Court Reporting	2,000	
8	•		
9	Total Pro Forma Filing Costs	\$8,000 (1)	
10			
11			
12	(1) These costs carry to Schedule Di	AD - 3 for inclusion in PWAC recovery at 50%.	
13			
14			
15			
16			
17			
18			
19			
20			

PWAC / PSTAC REVENUE	EWAC	PSTAC	Total
Pro Forma PWAC/PSTAC Proposed Rate Revenue - uncompressed ratesCurrent Filing			
PWAC per Schedule DMD-3, Col. 2, (ins. 22 * in 23) + (ins. 30 * 31)	\$38,531,822		\$36,531,822
PSTAC per Schedule DMD-11:			,
Adelphia Sewer - Col. 2, line 12		1,077,753	1,077,763
Lakewood Sewer - Col. 2, line 5		4,672,815	4,672,815
Ocean City Sewer - Col. 2, line 19		8,277,687	8.277 687
Total Pro Forma PWAC/PSTAC Proposed Rate Revenue	\$36,531,822	\$14,028.265	\$50,560,087
Pro Forma PWAC/PSTAC Present Rate Revenue - uncompressed rates-Current Filling			
PWAC per Schedule DMD-3, Col.2, (In 23 * \$0.3767) + (In 31 * \$0.4368) note (1)	\$35,264,405		\$35,284,405
PSTAC per Schedule DMD-11 (ref. cols and lines below) note (2):	,		4
Adelphia Sewer - Col. 2, in 14 ° \$6.0933		1,016,667	1,016,667
Lakewood Sawer - Col. 2, In 7 * \$3.7037		4,558,574	4.558.574
Ocean City Sewer - Col. 2, in 21 * \$24.2983		8,377,681	8,377,681
Total Pro Forma PWAC/PSTAC Present Rate Revenue	\$35,264,405	\$13,952,922	\$49,217,327
Pro Forms PWAC/PSTAC Proposed Revenue Increase			
PWAC	\$1,267,417		\$1,267,417
PSTAC Adelphia Sewer	* (	61,096	61,098
PSTAC Lakewood Sewer		114,241	114,241
PSTAC Ocean City Sewer		(\$9,994)	(99,994)
Total Pro Forms PWAC/PSTAC Proposed Rev. Increase	\$1,267,417	\$75,343	\$1,342,780
Pro Forme PWAC/PSTAC Proposed Revenue Iricr. % Over Current PWAC/PSTAC Rev.			
PWAC	3,59%		3,59%
PSTAC Adelphia Sewer	4,50,4	8.01%	3,38% 8.01%
PSTAC Lakewood Sewer		2.51%	2.51%
PSTAC Ocean City Sewer		-1.19%	-1.19%
Total Pro Forms PWAC/PSTAC Revenue Incresse %	3.59%	0.54%	2.73%
s Annual & Lot, & milibian : An incomp.; who like four a joint of the little of the li	2,3270	U.27978	4.73%

Notes:(1) Present Rates on an Uncompressed basis per Schedule DMD-3 - Per Settlement, WR12111018. Usage per DMD-3, lines 22 and 30, (2) Present Rates on an Uncompressed basis per Schedule DMD-11 - Per Settlement, WR12111019. Usage per DMD-11. (3) Approx, \$56 mil. Of Base Revenues are not subject to PWAC (Fire Service, Uninter, Manasquan Serv., and Other Operating Revenues)

New Jersey American Water Company

PWAC & PSYAC Rate Filling - Bill Comparisons

Unage in Welture, Livage Rains in 1985 gallete Proposed Rains are Compressed Rains

Schedule DMD-16 SPU Docket No. WR1311038 (updated 2/24/14)

PWAG			Propert Races			
		Supe Rains	EX.5/1/12	PHACEE UNITS	Property	Protect
	Mormby	Man. Fit Berv.	Desgre	Deage	Monthly	Annual
Service Area	Lisaço	CRIg. 546	Chg Rule	Chy Rate	Diff.	245
RA1 - STATEMOE	6,500	\$10.60	\$5,8405	\$6.4366	\$62.05	\$424.60
SA2 & SA1 & SA1 a	\$,500	10.50	5.5331	0.4562	49,40	502.60
Mende	8,500	10.50	5 0057	0,4368	45.95	551,76
Southerpice	£,500	10.66	4,4814	0,4368	42.57	510,84
SA-14	8,500		5 1912	0,4368	45.56	548.88
SA-16 Parintgrove	8,500	9.00	4,0682	0.4368	34.28	459.36

PETAC			Product Rate	*		
		Busa Red	es EL SAM2	PSTAC EF. 41/13	Present	Prospek
	Marity	Mon.Fix Serv.	Usage	Usage	Monthly	Annual
Adelphia Sounr	Usage	Cbg. 548*	Che Rule	Chy Rule	194	. 24
Rates		\$5,69	\$5,5060	\$8.0933		
Microsop Bill Colculation	4,000	\$3,69	\$72,62	\$94.37	\$42,82	\$824.96

PSTAC			Present Rut			
		Please Righ	06 EEE 5/1/12	PSTACE	471/13	
		Sana	Participal Control		Promore	Primari
Angual	SEATHERNY CALL	Lienge	Service	Service	Monthly	Annuel
Ocean City Server Useou	Liange	Charge (4)	Charge (25	Charge (2)	But	- 現最
Redoc		\$1,0568	\$11,1038	\$24.2563		
Armini Bill Culculation 44,980	20,000	\$\$2.27	\$722.08	£485.87	\$95,66	\$796.32

Holant (1) Applicable to each mouth's current integer.
(2) Applicable to prior year's streemer speaker image.

PSTAG	1		Propert Raio	4		
		Bage Rut	m EE 5/1/12	PSTACES WINS	Propert	Property
	Monthly	Mort.Fix Berv.	Unkge	Uttage	Monthly	Actival
Lakenged Sever	Usage	Chg.54"	Chg Rule	Chy Rule	100	2013
Phalips.		\$15.08	\$3,4192	\$3 7037		
Monthly Bill Calculation	8,600	\$15.06	\$30.48	\$22.22	\$57,74	\$802.58

Francis	Robes	Proposed		
Bugu Hales	Eff. SAVING	PWAC (1)	Proposed	Proposed
Micro, Fix Bury, Chg. 548	Usage Chg Rule	Unige Chg Rate	Monthly SAL	Annual Hij
\$10,60	\$5.9405	\$9,4525	852.15	\$825.80
10.60	3,5331	0.4525	49,51	594.12
10,80	5.0057	0,4525	46.08	957.04
14.80	4.4814	0.4525	42.67	512.04
8.00	5.1912	9,4625	45.88	548.18
9.60	4.0682	A 4574	\$2.72	acn sa

Present	t Rates	Programa		
Rese Rates	EE.SAM2	PSTAC	Proposed	Praposed
Man.Fix Serv.	Umaças	Usage	Monitaly	Annual
Cho. Se	Chy Rule	Chg Rate	204	64
\$5.00	\$5,5060	\$6,4594		
\$5.60	\$22.02	125.84	933.66	\$642.60

P	rater	t Rates	Proposed		
Base	Rates	E8. 3M/12	PSTAC		
Educati		SARRICI PARTIES	Minimouse	Proposed	Proposed
Ueso		Service	Service	Monthly	Annual
Charge	LD.	Charps (2)	Charge (2)	Bet	BM
\$1.	6008	\$11,1038	£24,0063		
\$4	2.27	\$227,00	\$450.17	\$65.38	8784.52

Procest Raise

Beze Rales EX 5/1/2 Mon-Pix Seov. Unage Chg. 58 Chg Rale \$15.06 \$21,410 \$15.05 \$28.4

Proposed	L	
PSTAC	Propesed	Preposed
Varege Cha Rate	Manthly BM	Aprusi EU
\$3.7966 \$22.78	\$64.30	\$604.60

5/6" Cuelosner						
Increase						
Monthly Monthlyth Annual %						
\$0.10	0.10%	\$1.20	0.19%			
0,11	0.22%	1.32	0.22%			
0.10	9.22%	1.20	0.22%			
0.10	0.23%	1.20	0.23M			
0.10	6.22%	1.20	0.22%			
0.16	0.36%	1.20	0.26%			

L		and the same of th					
Monthly Monthly Annual %							
Monthly	Monthly Ma	Annual	- %				
1	1						
\$1.47	2.82%	317.54	2.52				

- Character						
Monthly	Monthly 16	Annual	*			
£0.483	-0 73%	(\$5.7E)	-0.73%			

5/8" Customer

	SNF Customer						
8Ac	incloses Monthly Monthly & Assuel 16						
	<b>5</b> 0 56	0.97%	\$8 72	0.97%			

<sup>(1)</sup> Exempt PWAC tate of \$0.3502 per 1000 gallons.

## New Jersey American Water Company Statement of Pro Forma Purchased Water Expense PWAC Year 4/1/2014-3/31/2016

New Jersey American Water Company BPU Docket No. WR13111036 Witness Responsible: Robert R. Schaefer

Schedule RRS-1 (updated 2/24/14) FWAC Filing Year: 4/1/2013 - 3/31/2014

Page 1

¢

Purchased Water Vendor	Actual PWAC Year 411/13-3/31/14 Purchases (MGY)	Annual Contract Minimum (MGY)	Pro Forms Purchases (MGY)		Pro Forma Rate per MG		Pro Forms PWAC Year 4/1/2014-3/31/2015 Expense
(1)	(2)	(3)	[4]		(5)		(0)
Passalc Valley Water Commission (PVWC): PVWC - power component	3,996 743	3,777.750	4,160 308	(1.14)	\$2,325 95	(1) (2)	\$9,676,668 \$729,576
Monts County Municipal Utilities Authority	242 193	220 000	242 193		S2,459 25	(3)	\$595,613
Montolair Water Bureau	73 455		119 357	(£ 2)	\$1,737 97	(4)	5207,439
New Jersey Water Supply Authority (NJWSA)							
Menesquen:	4,582 500						
Contract @ Initial rate		2,943,725	2,943 725		\$1,015.90	(5)	\$2,990,530
Contract @ Delayed rate		1,618 775	1,618.775		\$1,168.49	(5a)	\$1,891,522
Power component						(5b)	\$228,603
Overdraft service	0.000		1 883			(Se)	\$2,287
Raritan:							***
Contract	46,209.00	46,209.00	46,209.00		\$240 B6	(8)	\$11,129,900
Legislative grant	1,082.15	1,052.15	1,062.15		\$0.00	- •	\$0
Overdraft service	0.00		326 68			(6a)	\$90.555
Retroactive Debt Service						{ <b>#b</b> }	\$200,301
Credit against Retroactive Debt Serv Pymts						(Sc)	(\$195,721)
Atlantic City Municipal Utilities Authority:							
Base rate	180,000	180.000	180 000		\$3,487,97	(7)	\$827.835
Excess rate	378,413	372 822	378,413		\$2,965,24	17)	\$1,122,086
Township of Maple Shade	6.251		6,251			(\$)	<b>\$46</b> ,019
Borough of Sesside Heights	56,441		56,441		\$2,750,00	(9)	\$155,213
Shorefands Water Company:							
Union Beach connections:	178,941						
Sale for Resale rate		182,500	182,500		\$2,196.00	(40)	\$401,135
Backup bulk sales rate			0.000		\$4,007.00	(10)	\$0
Fixed chg:2 - 4" meter (per mo.)					\$237,18	(13)	\$5,692
Fixed chg:2 - 6" mater (per mo.)					\$474.38	(10)	\$11,385
Union Beach Deficiency bill						(11)	\$58,404
Holmdel connection:							
Backup bulk sales rate	9 138		9 673	(10m)	\$4,007.00	(nn)	\$36,780
Fixed ohg:1 - 6" mater (per mo)					\$474 38	(14)	\$5,693
Meriboro Township MUA	102,546	91.250	97 394	{12=}	\$4,036,89	(12)	\$393,167
City of Wildwood	35 088	35.000	42.339	(1 m)	\$2,510.00	(13)	\$108,271
East Windson Muncipal Utilities Authority	0,869		0 869			(14)	\$2,215
			57,837 925				\$20 E24 444
			37,007 820				\$30,521,128

Notes: (1) Promited Rate - 9 months of rate effective 1/1/14 - 52,297,23 - and 3 months increase of 5% effective 1/1/15.

<sup>(1</sup> a) 3 year x-verage of usage for the 12 months ended 3/31/12, 3/31/13 and 3/31/14. See Note 1, DMC-1e for explaniation for year ended 3/31/14,

<sup>(1</sup>b) 3 year average of usage for the 12 months ended 3/31/12, 3/31/13 and 3/31/14. See Note 1, DMD-1a for explantation for year ended 3/31/14,

<sup>(2)</sup> Actual Power conts for PMAC Y 4/1/13-3/3/1/4 per 8ds. DMD-1.
(3) Promited rate effective 1/1/3 for KJ American of \$111% times the 2013 base rate of \$2,135 times 3% increase for 2014 (\$2,441) for 9 months and 3 months of rate effective 1/1/15, astimating 3% increase to base rate (\$2,265) times 111% (\$2,514).

<sup>(4)</sup> Prenent rates - Effective 11/1/08.

<sup>(4</sup>a) 3-year average for the 12 months ended 3/31/12, 3/31/13, and 3/31/14. See Note 1, DMD-1s for explaniation for year ended 3/31/14.

<sup>(3)</sup> Promised rais - 3 months of actual rate ER, 77/13-8/30/14 81,915 90 per mg and 6 most of estimated 77/14-8/30/15 rais, 81,015 90 per mg.

<sup>(5</sup>a) Provided rate - 3 markbs of actual rate Eff. 7/1/13-5/00/14 \$1,768.48 per mg and 9 mas, of salimeted 7/1/14-8/30/15 rate, \$1,168.48 per mg.

<sup>(5</sup>b) Actual Power code for PWAC Yr. 4/1/(3-3/31/14 per Sch., DNO-1.

<sup>(</sup>Se) Estimated overdraft service charge based upon everage of 12 months ended 3/31/12, 3/31/15 and 3/31/14 actual monthly and sinusi overdraft charges. See Note 2, DND-1 for explanishor for year ended 3/31/14.

<sup>(8)</sup> Provided rate - 125 days of adulal rate ER. 7/1/13-8/3/14 \$231 00 per my and 240 days of NJWSA's proposed 8/4/14-8/30/15 rate \$246.00 per mg.
(6s) Estimated overstast service charge based upon average of 12 months ended 3/31/12, 3/31/13 and 3/31/14 actual months and annual overstast charges.

Sea Note 2, DMD-1 for explaniation for year existed 3/01/14

<sup>(8</sup>b) Actual annual retroactive debt service charge effective January 2006.

<sup>(8</sup>c) Estimated prior period credit a gainst the sept service there is based upon a 3 year everage of these credits for the 12 months ended 3/2011, 3/2012 and 3/2013,

<sup>[7]</sup> Rates effective as of 1/1/14.

<sup>(5)</sup> Actual costs PWAC Year 4/1/15-3/31/14,

<sup>(3)</sup> Present raise - Effective 1/31/07.
(10) Present raise - Effective 1/1/07. Including PMAC raise effective 7/1/12.

<sup>(19</sup>a) 3 year syerage of usage for the 12 months ended 3/31/12, 3/31/13 and 3/31/14. See Note 1, DMD-1a for explaniation for year ended 3/31/14.

<sup>(11)</sup> Estimated Union Beach deficiency bill based upon a 3-year average of the dollars apacetated with the deficiency in PWAC Years ended 3/31/12, 3/11/13 and 3/31/14 (12) Promised rate reflects the everage of the 12 monthly projected rates during PWAC Yr. 4/1/14 - 3/31/15. The rate incorporates MAC (Middlesser) and MTMUA

components. The SAVC rate component was based on the current actual rate eff. 7/20/2012 of \$2,752.35 per mg.

The NETABLE component was proreing based on 17 months of the surrent contractual rate of \$1,252.40 and 1 month of a contractual 2% rate incr effective 3/1/15 of \$1,306,05. The MENKIA rate increase is effective on the anniversary of the Water Service Effective Date of 3/1/09. (12a) I year everage of usage for the 12 months ended 3/13/1/2, 3/13/1/3 and 3/13/1/4. See Note 1, OMD-1s for explanishing for year ended 3/13/1/4.

<sup>(13)</sup> Present raise - Effective 1/1/2012

<sup>(14)</sup> Adual coals for PWAC year 4/1/13-3/31/14.



Robert J. Brabaton
Corporate Counsel
167 J.F. Kannedy Parkway
Short Hills, HJ 07078

1. Robert American Removaler.com

P 978.564.5718 F 978.584.5708

March 4, 2014

Via Facelmile and Regular Mali Hon. Ella A. Pelios, ALJ Office of Administrative Law 9 Quakerbridge Plaza P.O. Box 049 Tranton, New Jersey 08825-0049

I/M/O the Petition of New Jersey American Water Company, Inc. to Change the Levels of its Purchased Water Adjustment Clause and Purchased Wastewater (Sewerage) Tresiment Adjustment Clause OAL DOCKET NO. PUC 17989-13

Dear Judge Pelios:

It has come to our attention that the Stipulation of Settlement executed in the above-referenced matter contains a typographical error in that it states that the petition was filed on November 15, 2013 when it was actually filed on November 1, 2013. By copy of this letter we are advising the other parties to this matter of the error.

Please do not hesitate to contact me should you have any quastions.

Very truly yours,
/s/Robert J. Brabston
Robert J. Brabston

RJB;dlc

Service list (via e-mail)



I -1

200 MM -5 P 3 00

Via Facsimile & Overnight Mail (609) 689-4100

February 25, 2014

Honorable Elia A. Pelios, ALJ Office of Administrative Law 9 Quakerbridge Plaza P.O. Box 049 Trenton, NJ 08625-0049

RE: I/M/O the Petition of New Jersey American Water Company, Inc. for Approval to

Change The Level of its Purchased Water Adjustment Clause and Purchased

Wastewater (Sewerage) Treatment Adjustment Clause

BPU Docket No.: WR13111038
OAL Docket No: PUC 1989-2013

Dear Judge Pelios:

Middlesex Water Company ("Middlesex"), an Intervenor in the above matter, has reviewed the proposed Stipulation of Settlement ("Stipulation") in the above-referenced matter which is expected to be executed shortly.

Please be advised that Middlesex does not object to the Stipulation.

Should you have any questions, please contact me.

Respectfully,

Kenneth LQuinn

Vice President, General Counsel,

Secretary and Treasurer

cc

Attached Service List (via e-mail only)