



Agenda Date: 3/18/15  
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/](http://www.nj.gov/bpu/)

WATER

IN THE MATTER OF THE PETITION OF	)	ORDER ADOPTING INITIAL
SHORELANDS WATER COMPANY FOR AN	)	DECISION/STIPULATION
INCREASE IN BASE RATES FOR WATER SERVICE	)	
AND OTHER TARIFF MODIFICATIONS	)	BPU DOCKET NO. WR14080905
	)	OAL DOCKET NO. PUC-11398-14N

**Parties of Record:**

**Bruce S. Edington, Esq.**, on behalf of Shorelands Water Company, Petitioner  
**Stefanie A. Brand, Esq. Director**, on behalf of the Division of Rate Counsel

BY THE BOARD:

On August 13, 2014, Shorelands Water Company ("Company" or "Petitioner"), a public utility corporation of the State of New Jersey, filed a petition ("Petition") with the Board of Public Utilities ("Board") for approval to increase its rates for water service pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:9-7.1 et seq., to make other tariff changes pursuant to N.J.A.C. 14:1-5.11, and to update the base consumption and base costs established in the Company's prior base rate proceeding, and used when setting the Company's Purchased Water Adjustment Clause ("PWAC") under N.J.A.C. 14:9-7.1 et seq. in BPU Docket No. WR11120899<sup>1</sup>. The Company requested a rate increase of approximately \$1,017,052 or 9.86% above the adjusted annual level of present rate revenues for the test year ending December 31, 2014.

By this Order, the Board considers the Initial Decision recommending adoption of the Stipulation of Settlement ("Stipulation") executed by the Company, Board Staff and the Division of Rate Counsel ("Rate Counsel") (collectively the "Parties") agreeing to an overall increase in revenues totaling \$650,000 representing a 6.33% increase over Company revenues of \$10,261,534.

<sup>1</sup> The Company's prior base rate proceeding in BPU Docket No. WR10060394, OAL Docket No. PUC-07101-2010N was concluded by Order of the Board filed January 19, 2011.

## **BACKGROUND/PROCEDURAL HISTORY**

The Company serves approximately 11,000 water customers in its service territory which includes the Township of Hazlet and part of the Township of Holmdel; and connection service for bulk sales to the Borough of Keyport, the Township of Aberdeen, and New Jersey American Water Company, all of which are situated in the County of Monmouth, State of New Jersey.

The Company requested the increase in rates to become effective on September 15, 2014<sup>2</sup>. By Order dated September 30, 2014, the Board suspended the Company's proposed rate increase until January 15, 2015. On December 17, 2014, the Board issued an Order further suspending the proposed rate increase until May 15, 2015. The Petitioner did not seek interim rate relief pending final determination on the petition.

This matter was transmitted to the Office of Administrative Law ("OAL") on September 9, 2014 as a contested case, and assigned to Administrative Law Judge ("ALJ") Irene Jones. A Pre-Hearing Conference was convened by ALJ Jones on December 12, 2014. On December 18, 2014, a Prehearing Order was issued setting forth a procedural schedule, and scheduling the matter for evidentiary hearings on March 17, 2015 and March 19, 2015.

After proper notice, a public hearing was held at the Hazlet Township Municipal Building in Hazlet, New Jersey at 5:30 pm on January 13, 2015. No members of the public appeared at the public hearing.

Subsequent to the public hearing, the Parties to the proceeding engaged in numerous settlement negotiations, and as a result of these discussions and extensive discovery, the Parties reached a settlement on all issues and executed a Stipulation.

On February 26, 2015, ALJ Jones issued her Initial Decision recommending adoption of the Stipulation, finding that the Parties voluntarily agreed to the Stipulation and the Stipulation fully disposed of all issues and was consistent with the law. No exceptions to the Initial Decision have been filed.

## **DISCUSSIONS AND FINDINGS**

Among the provisions of the Stipulation<sup>3</sup>, the Parties agree that the Company's base rates be increased by \$650,000, representing an approximate 6.33% increase of the Company's revenues requirement. The Parties further agree to rate base of \$14,898,962 with a test year ending December 31 2014, adjusted for known and measurable changes, and that the Company be authorized a return on equity of 9.75%. The Parties also agreed that this return on equity will calculate to an overall authorized rate of return of 7.00%, derived from the overall capital structure of 55.11% equity with a cost rate of 9.75%, and 44.89% long-term debt with a cost rate of 3.63%. The capital structure does not include short-term debt.

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<sup>2</sup> On September 2, 2014, the Company submitted a letter to the Board Secretary advising that the Company will not implement rates on an interim basis prior to the effective date of the Board's Suspension Order of September 30, 2014.

<sup>3</sup> Although described in the 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.

As a result of this settlement, the average monthly bill for a typical 5/8" meter customer using 6,000 gallons of water per month will go from \$39.05 to \$42.64, an increase of \$3.59 per month.

The Parties agree that the tariffs attached as Exhibit B to the Stipulation, implementing the terms of the Stipulation, should be approved in their entirety, and recommend their approval by the ALJ and the Board.

Based on ALJ Jones's Initial Decision and the Stipulation, the Board **HEREBY FINDS** that the 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. In reaching this decision, the Board must balance the needs of the ratepayer to receive safe, adequate and proper service at reasonable rates, while allowing the utility the opportunity to earn a fair rate of return. See FPC v. Hope Natural Gas, 320 U.S. 591 (1944); N.J.S.A. 48:2-21 and N.J.S.A. 48:3-1. Therefore, the Board **HEREBY FINDS** the Initial Decision, which adopts the Stipulation, to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** 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:

- a. The tariff sheets attached to the Stipulation containing rates and charges conforming to the Stipulation and designed to produce the additional revenues to which the Parties have stipulated herein are **HEREBY ACCEPTED** for service rendered on and after March 28, 2015; and
- b. The stipulated increase and the tariff design allocations for each customer classification are **HEREBY ACCEPTED**.

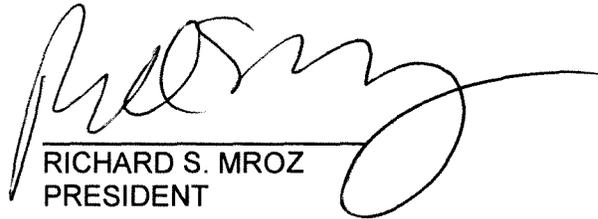
Based upon the foregoing, the Board **HEREBY APPROVES** an overall increase in revenues in the amount of \$650,000 representing an approximate 6.33% increase over prior Company revenues.

The Board **HEREBY ORDERS** the Company to submit complete revised tariffs conforming to the terms and conditions of the Stipulation and this Order within five (5) days from the date of this Order.

This Order shall be effective on March 28, 2015.

DATED: 3/18/15

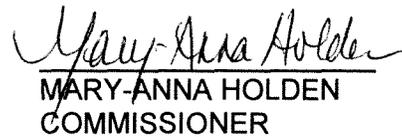
BOARD OF PUBLIC UTILITIES  
BY:



RICHARD S. MROZ  
PRESIDENT



JOSEPH L. FIORDALISO  
COMMISSIONER



MARY-ANNA HOLDEN  
COMMISSIONER

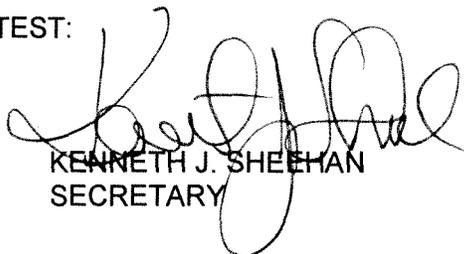


DIANNE SOLOMON  
COMMISSIONER



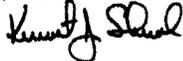
UPENDRA J. CHIVUKULA  
COMMISSIONER

ATTEST:



KENNETH J. SHEEHAN  
SECRETARY

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



In the Matter of the Petition of Shorelands Water Company for an Increase in Base Rates for  
Water Service and Other Tariff Modifications  
BPU Docket No. WR14080905

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*State of New Jersey*  
**OFFICE OF ADMINISTRATIVE LAW**

**INITIAL DECISION**

**SETTLEMENT**

OAL DKT. NO. PUC 11398-14

AGENCY DKT NO. WR14080905

**IN/VO THE PETITION OF SHORELANDS  
WATER COMPANY, INC. FOR AN INCREASE  
IN BASE RATES FOR WATER SERVICE, AND  
OTHER TARIFF MODIFICATIONS**

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**Bruce S. Edlington, Esq.**, for petitioner Shorelands Water Company, Inc.  
(LeClair Ryan, attorneys)

**Alex Moreau**, Deputy Attorney General, **Carolyn McIntosh**, Deputy Attorney  
General and **Geoff Gerstein**, Deputy Attorney General, for respondent  
Board of Public Utilities (John Jay Hoffman, Acting Attorney General of New  
Jersey, attorney)

**Stefanie A. Brand**, Director, for respondent Division of Rate Counsel (John J.  
Hoffman, Acting Attorney General of New Jersey, attorney)

Record Closed: February 25, 2015

Decided: February 26, 2015

BEFORE IRENE JONES, ALJ:

On August 14, 2014 petitioner, Shorelands Water Company, Inc. or ("Company")  
filed a petition with the Board of Public Utilities (BPU) seeking an increase in rates for  
water service and other specified tariff changes effective September 15, 2014.

On September 10, 2014, the matter was transmitted to the Office of Administrative Law for determination as a contested case pursuant to N.J.S.A. 52:14F-1 to 13. An in person prehearing conference was held on December 12, 2014. On January 13, 2015 a public hearing was held in Hazlet, New Jersey. Evidentiary hearings were scheduled for March 17 and 19, 2015 but adjourned because the parties agreed to settle the matter. A Stipulation of Settlement indicating the terms of settlement was filed with the undersigned on February 25, 2015.

I have reviewed the record and terms of the Stipulation of Settlement and **FIND:**

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

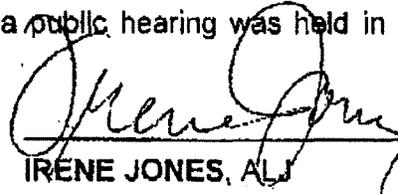
Therefore, it is **ORDERED** that the parties comply with the settlement terms and that these proceedings be and are hereby concluded.

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.

February 26, 2015 On January 13, 2014 a public hearing was held in Hazlet, New Jersey.

2/26/15  
DATE

  
IRENE JONES, ALJ

Date Received at Agency:

\_\_\_\_\_

Date Mailed to Parties:

\_\_\_\_\_

sej

STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF  
SHORELANDS WATER COMPANY FOR  
AN INCREASE IN RATES FOR WATER  
SERVICE

STIPULATION OF SETTLEMENT

OAL Docket No. PUC 11398-2014N  
BPU Docket No. WR14080905

**APPEARANCES:**

Bruce S. Edington, Esq., LeClairRyan, on behalf of Shorelands Water Company, Inc., Petitioner

Alex Moreau, Esq., Deputy Attorney General and Carolyn McIntosh, Esq., Deputy Attorney General (John J. Hoffman, Acting Attorney General of New Jersey), on behalf of the Staff of the New Jersey Board of Public Utilities

Debra F. Robinson, Esq., Deputy Rate Counsel, and Susan McClure, Esq., Assistant Deputy Rate Counsel, on behalf of the Division of Rate Counsel

**TO THE HONORABLE IRENE JONES, ALJ, AND THE BOARD OF PUBLIC UTILITIES:**

This Stipulation of Settlement resolves all issues raised in BPU Docket No. WR14080905 in which Shorelands Water Company, Inc. ("Shorelands" or the "Company") is seeking an increase in rates for water service and other specified tariff changes. The parties that have participated in these proceedings are as follows: Shorelands, the Division of Rate Counsel ("Rate Counsel"), and the Staff of the Board of Public Utilities ("Staff") (collectively, "Signatory Parties").

As a result of an analysis of the petition, pre-filed testimony and exhibits, several conferences, negotiations, responses to information requests, and a public hearing held in the service territory, the Signatory Parties to these proceedings have come to an agreement on the issues in dispute in this matter. The Signatory Parties hereto agree and STIPULATE as follows:

On August 13, 2014, Shorelands, a public utility corporation of the State of New Jersey, filed a petition with the Board of Public Utilities (the "Board") for approval to increase its rates for water service pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:9-7.1 et seq., to make other tariff changes pursuant to N.J.A.C. 14:1-5.11, and to update the base consumption and base costs which were established in the Company's prior base rate proceeding and utilized when setting the Company's Purchased Water Adjustment Clause ("PWAC") under N.J.A.C. 14:9-7.1 et seq. in BPU Docket No. WR11120899.<sup>1</sup> In this current case, the Company requested a rate increase of approximately \$1,017,052 or approximately 9.86% above the adjusted annual level of present rate revenues for the test year ending December 31, 2014.

By letter dated September 2, 2014, the Company notified the board that it would not implement rates on an interim basis prior to the effective date of the Board's suspension order. On September 9, 2014, the Board transmitted the matter to the Office of Administrative Law ("OAL") and Administrative Law Judge Irene Jones was assigned to hear the case. On September 30, 2014, the Board issued its first Order suspending the proposed rate increase until January 15, 2015. On December 17, 2014, the Board issued its second Order further suspending the proposed rate increase until May 15, 2015.

A Prehearing Conference was convened by Judge Jones on December 12, 2014. On December 18, 2014, the Prehearing Order was issued setting forth a procedural schedule and scheduling the matter for evidentiary hearings on March 17 and 19, 2015. After proper notice, a public hearing in the service territory was held at the Hazlet

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<sup>1</sup> The Company's prior base rate case proceeding in BPU Docket No. WR10080394, OAL Docket No. PUC-07101-2010H, was concluded by Order of the Board dated January 19, 2011.

Township Municipal Building, at 5:30 P.M. on January 13, 2015. No members of the public appeared at the public hearing.

The Company has provided a number of updates to its original case rate filing, including updated financial information regarding numerous aspects of the Company.

#### Settlement Terms

Numerous settlement discussions were held among the Signatory Parties, and this process resulted in the following stipulations among the Signatory Parties:

1. For the purposes of this Stipulation, the Company's total rate base is agreed to be \$14,898,962. The test year is the 12 months ended December 31, 2014, adjusted for known and measurable changes.
2. For the purposes of this Stipulation, the overall rate of return agreed to by the Signatory Parties is 7.00%, which is based on a capital structure of 55.11% equity with a cost rate of 9.75% and 44.89% long-term debt with a cost rate of 3.63%. The Signatory Parties request that the Board approve a return on equity set at 9.75%.
3. The Signatory Parties agree that utilizing this overall rate of return of 7.00% results in an overall additional revenue requirement of \$650,000. This amount can be calculated as shown on the attached Schedule A.
4. The Signatory Parties stipulate that the revenue requirement for Shorelands should be set based upon a 9.75% return on equity and a 7.00% overall rate of return, resulting in an increase of \$650,000 over present rate revenues of \$10,261,534 or an overall revenue increase of approximately 6.33%. The Signatory Parties agree that this figure represents the level of revenue that will help to ensure that

the Company will continue to provide safe, adequate and proper water service to its customers. (See Schedule A).

5. The Signatory Parties agree and recommend that the attached tariffs implementing the terms of this Stipulation be approved in their entirety by the Administrative Law Judge and the Board. (See Schedule B). As a result of this settlement, the average monthly bill for a typical 5/8" meter customer using 6,000 gallons of water per month will go from \$39.05 to \$42.64, an increase of \$3.59 per month.

6. While agreeing for the purpose of this Stipulation to the results of the allocations as evidenced in the tariffs and Proof of Tariff (Schedule C) revenues attached to this Stipulation of Settlement, the Signatory Parties hereto have not agreed upon any specific allocation methodology or policy in the resolution of the rate design issues raised in this procedure.

7. The Signatory Parties specifically agree that the cost of purchased water for the Test Year is \$2,480,112 as set forth below:

Agency	Volume	Cost
New Jersey Water Supply Authority	735 MG	\$ 777,300
NJ American Water Company	1,030 MG	\$1,680,905
Amortization of Water Rights		\$ 21,847
		\$2,480,112

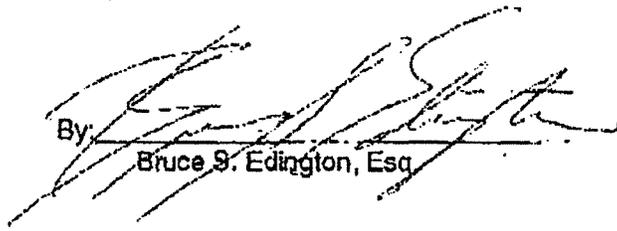
8. This Stipulation is the product of extensive negotiations by the Signatory Parties and it is an express condition of the settlement embodied by this Stipulation that it be presented to the Board in its entirety without modification or condition. It is also the intent of the Signatory Parties to this Stipulation that this settlement, once accepted and approved by the Board, shall govern all issues specified and agreed to herein. The Signatory Parties to this Stipulation specifically agree that if adopted in its entirety by the Board, no appeal shall be taken by them from the Order adopting same as to those issues upon which the Signatory Parties have stipulated herein. The Signatory Parties agree that the within Stipulation reflects mutual balancing of various issues and positions and is intended to be accepted and approved in its entirety. Each term is vital to this Stipulation as a whole, since the Signatory Parties hereto expressly and jointly state that they would not have signed this Stipulation had any terms been modified in any way. In the event any particular aspect of this Stipulation is not accepted and approved by the Board, then any Signatory Party hereto materially affected thereby shall not be bound to proceed under this Stipulation. The Signatory Parties further agree that the purpose of this Stipulation is to reach fair and reasonable rates and that it will avoid protracted and costly litigation of certain issues and that with respect to any policy or other issues which were compromised in the spirit of reaching an agreement, none of the Signatory Parties shall be prohibited from or prejudiced in arguing a different policy or position before the Board in any other proceeding, as such agreements pertain only to this matter and to no other matter.

9. This Stipulation may be executed in as many counterparts as there are signatories of this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

LECLAIRRYAN  
Attorneys for Petitioner,  
Shorelands Water Company, Inc.

Dated: February 24, 2015

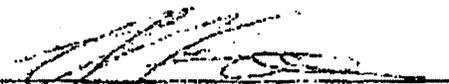
By:



Bruce S. Edington, Esq

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

Dated: February 25, 2015

By:   
Alex Moteau  
Deputy Attorney General

Dated: February \_\_\_\_\_, 2015

By: \_\_\_\_\_  
Carolyn McIntosh  
Deputy Attorney General

STEFANIE A. BRAND, ESQ.,  
DIRECTOR, RATE COUNSEL

Dated: February \_\_\_\_\_, 2015

By: \_\_\_\_\_  
Debra F. Robinson, Esq.  
Deputy Rate Counsel

Dated: February \_\_\_\_\_, 2015

By: \_\_\_\_\_  
Susan McClure, Esq.,  
Assistant Deputy Rate Counsel

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

Dated: February \_\_\_\_, 2015

By: \_\_\_\_\_  
Alex Moreau  
Deputy Attorney General

Dated: February \_\_\_\_, 2015

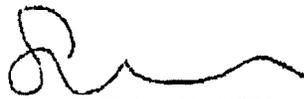
By: \_\_\_\_\_  
Carolyn McInlosh  
Deputy Attorney General

STEFANIE A. BRAND, ESQ.,  
DIRECTOR, RATE COUNSEL

Dated: February \_\_\_\_, 2015

By: \_\_\_\_\_  
Debra F. Robinson, Esq.  
Deputy Rate Counsel

Dated: February 25, 2015

By:  \_\_\_\_\_  
Susan McClure, Esq.,  
Assistant Deputy Rate Counsel

# **SCHEDULE A**

SCHEDULE A

SCHEDULE A

SHORELANDS WATER COMPANY

REVENUE REQUIREMENT SUMMARY

RATE BASE	\$	14,898,962
RATE OF RETURN		7.00%
REQUIRED OPERATING INCOME	\$	1,043,334
PROFORMA OPERATING INCOME	\$	673,693
OPERATING INCOME DEFICIENCY	\$	369,641
REVENUE CONVERSION FACTOR		1.75846
REVENUE DEFICIENCY	\$	650,000
RATE INCREASE PERCENTAGE		6.33%

# **SCHEDULE B**

SCHEDULE B  
SHORELANDS WATER COMPANY, INC.  
BPU No. 5 - Water

FIRST REVISED SHEET NO. 24  
SUPERSEDING  
ORIGINAL SHEET NO. 24

**RATE SCHEDULE NO. 1**  
**GENERAL METERED SERVICE**

Applicability:

Applicable to use of water supplied through meters.

Character of Service:

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

Rates:

Fixed Service charge.

<u>Meter Size</u>	<u>Per Month</u>	<u>Per Quarter</u>	<u>Meter Size</u>	<u>Per Month</u>	<u>Per Quarter</u>
5/8" Meter	\$ 14.00	\$ 42.00	3" Meter	\$ 210.00	\$ 630.00
3/4" Meter	\$ 21.00	\$ 63.00	4" Meter	\$ 330.00	\$1050.00
1" Meter	\$ 35.00	\$105.00	6" Meter	\$ 700.00	\$2100.00
1 1/2" Meter	\$ 70.00	\$210.00	8" Meter	\$1120.00	\$3360.00
2" Meter	\$112.00	\$336.00	10" Meter	\$1610.00	\$4830.00

Meter Rates:

\$4.774\* per thousand gallons

Terms of Payments:

Bills are due within fifteen (15) days after mailing. Bills may be paid in cash, check, money order, bank draft or direct debit. Rolled or loose coin will not be accepted as full payment of bill.

Conditions:

Subject to "Standard Terms and Conditions"

\* The State of New Jersey enacted ch.443 of the Laws of New Jersey 1983 concerning the periodic testing of public water supplies which establishes a water tax of \$0.01 per 1,000 gallons of water. This tax is reflected and included in the above rates.

Date of Issue: \_\_\_\_\_, 2015

Effective for service rendered  
(in and after \_\_\_\_\_, 2015

Issued by: Michael P. Walsh, Pres.  
1709 Union Ave., Hazlet, NJ

Filed pursuant to Decision and Order of BPU in Docket No. WR14080905, dated \_\_\_\_\_, 2015.

SHORELANDS WATER COMPANY, INC.  
BPU No. 5 - Water

FIRST REVISED SHEET NO. 25  
SUPERSEDING  
ORIGINAL SHEET NO. 25

RATE SCHEDULE NO. 2  
**PUBLIC FIRE PROTECTION SERVICES**

Applicability:

Applicable to municipalities throughout the franchised area.

Character of Service:

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

Rates:

Inch Foot Charge

Yearly charge of \$0.1078 per inch foot of distribution and transmission mains of 6" or more diameter serving municipality.

Hydrant Charge

\$27.50 monthly, \$330.00 yearly per each hydrant owned by the Company within the municipality served.

The amount of the bill will be the total of the Inch Foot Charge and the Hydrant Charge.

Terms of Payments:

Bills are due within fifteen (15) days after mailing.

Conditions:

Subject to "Standard Terms and Conditions".

Special Provisions:

The number of "inch feet" is computed by multiplying the linear feet by the internal diameter in inches of distribution and transmission mains serving a municipality on December 31st of the previous year (For Example: 100 feet of 6 inch mains is equivalent to 600 inch feet).

Date of Issue: \_\_\_\_\_, 2015

Effective for service rendered  
On and after \_\_\_\_\_, 2015

Issued by: Michael P. Walsh, Pres.  
1709 Union Ave., Hazlet, NJ

Filed pursuant to Decision and Order of BPU in Docket No. WR14080905, dated \_\_\_\_\_, 2015.

SHORELANDS WATER COMPANY, INC.  
BPU No. 5 - Water

FIRST REVISED SHEET NO. 26  
SUPERSEDING  
ORIGINAL SHEET NO. 26

**RATE SCHEDULE NO. 3  
PRIVATE FIRE PROTECTION**

Applicability:

Applicable to customers for private fire protection service.

Character of Service:

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

Rates:

Sprinkler connections with hose or hydrant connected to them:

<u>Size of Service</u>	<u>Per Month</u>	<u>Per Quarter</u>
3"	\$ 150.00	\$ 450.00
4"	\$ 250.00	\$ 750.00
6"	\$ 500.00	\$1500.00
8"	\$ 800.00	\$2400.00
10"	\$1240.00	\$3720.00

Sprinkler connections without hose or hydrant connected to them:

<u>Size of Service</u>	<u>Per Month</u>	<u>Per Quarter</u>
1"	\$ 13.45	\$ 46.53
2"	\$ 50.00	\$ 150.00
3"	\$105.00	\$ 315.00
4"	\$175.00	\$ 525.00
6"	\$350.00	\$1050.00
8"	\$560.00	\$1680.00
10"	\$875.00	\$2625.00

Fire Hydrants:

When hydrants are attached between the main and the meter, a charge of \$55.00 per month, \$660.00 per year per hydrant will be made. In the event no sprinkler service is rendered, then the charge shall be the same as above for each hydrant attached after the meter.

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SHORELANDS WATER COMPANY, INC.  
DPU No. 5 - Water

ORIGINAL SHEET NO. 27

**RATE SCHEDULE NO. 3 (Continued)**  
**PRIVATE FIRE PROTECTION**

Terms of Payments:

Billed monthly. Bills are due within fifteen (15) days after mailing.

Conditions:

Subject to "Standard Terms and Conditions" and service shall be exclusively used for fire protection purposes. No water shall be used except for fires or testing on reasonable notice to Company. No charge shall be made for water used in testing or for fires.

Special Provisions:

Certified Residential Health Care Facilities and rooming or board homes which are required to install private fire sprinkler systems pursuant to P.L. 1971, c. 136 (N.J.S.A. 26:2H-1, et seq.) And P.L. 1979, c. 496 (N.J.S.A. 55:13 B-1, et seq.) And regulations promulgated under these two statutes, shall be exempt from payment of the private fire protection service charges as detailed in Rate Schedule 3. Such exemption shall not be granted until the applicant has submitted to the Company, and the Company has reviewed and approved, evidence that the applicant is a licensed Residential Health Care Facility or a rooming or boarding house and has been required to install a private fire sprinkler system pursuant to the above regulations.

Date of Issue: January 19, 2011

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SHORELANDS WATER COMPANY, INC.  
BPU No. 5 - Water

ORIGINAL SHEET NO. 28

**RATE SCHEDULE NO. 4**  
**MISCELLANEOUS SERVICE**

Applicability:

Applicable to the following classes of miscellaneous service throughout the entire territory.

Character of Service:

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

Rates:

**(A) - GENERAL CONSTRUCTION AND CONTRACTING PURPOSES**

Metered Service

The Rates shall be the same as set forth under General Metered Service, Rate Schedule No. 1.

Unmetered Service

The Rates shall be the same as set forth under General Metered Service, Rate Schedule No. 1, on the basis of the Company's estimate of the volume of water to be used. Charges shall be payable in advance.

Special Provisions

Where metered service is provided, a deposit equal to the Company's estimate of the cost of the service for a four month period shall be made with the Company. The meter shall be kept in a safe place and accessible during its use. The deposit will be less the cost of repairs to the meter, if any, will be returned to the applicant by the Company after surrender of the meter and payment of all charges for water supplied through it.

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1709 Union Ave., Hazlet, NJ

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SHORELANDS WATER COMPANY, INC.  
BPU No. 5 - Water

FIRST REVISED SHEET NO. 29  
SUPERSEDING  
ORIGINAL SHEET NO. 29

**RATE SCHEDULE NO. 4 (Continued)**  
**MISCELLANEOUS SERVICE**

**(B) - STREET SPRINKLING**

Water for street sprinkling shall be taken from designated meter outlets and will be charged for under the Metered Service Charges set forth hereinbefore in Rate Schedule No. 1.

**(C) SEWER OR STREET FLUSHING**

Metered Service

The Rates shall be the same as set forth under General Metered Service, Rate Schedule No. 1.

Unmetered Service

The rates shall be the same as set forth under General Metered Service, Rate Schedule No. 1, on the basis of the Company's estimate of the volume of water used. Charges will be payable in advance.

Special Provisions

Water for flushing shall be taken from a fire hydrant only after notification to the Company and under the supervision of a Company employee. Water sales to customers or entities using tanks or trucks require additional attention and incur a surcharge in the amount of \$55.00 for each request in addition to the water charge as set forth in the applicable Rate Schedule.

**(D) - CHARGES NOT INVOLVING USE OF WATER**

Restoration of Service after discontinuance due to nonpayment of bills, violation of the Company or Board of Public Utilities rules, or for any other reason not the fault of the Company:

- \$40.00 for metered customers with meters up to one inch in diameter, during normal business hours (8:00 a.m. to 4:30 p.m.), all other hours \$80.00
- \$16.00 per inch in diameter or fraction thereof for metered customers with meters or fire services larger than one inch;

Removing and Replacing Meters within a period of one year at the request of the customer:

- \$55.00 for metered customers with meters up to one inch in diameter;
- \$75.00 per inch in diameter or fraction thereof for metered customers with meters or fire services larger than one inch;

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SHORELANDS WATER COMPANY, INC.  
BPU No. 5 - Water

FIRST REVISED SHEET 30  
SUPERSEDING  
ORIGINAL SHEET NO. 30

RATE SCHEDULE NO. 4 (Continued)  
MISCELLANEOUS SERVICE

Work, Labor and Materials:

All work and labor to be performed and all materials furnished by the Company will be charged to the customer at cost, unless otherwise provided in this Tariff.

Returned Check Charge:

Should the Company receive a negotiable instrument from the applicant or customer in payment of any bill, charge or deposit due and such instrument is subsequently dishonored or become uncollectible for any reason, the Company shall charge the applicant or customer \$20.00 per occurrence.

Terms of Payment:

Bills are due within fifteen (15) days after mailing. Bills may be paid in cash, check, or money order.

Term:

As required to meet the class of service rendered.

Unauthorized Use of Company Facilities

There will be a minimum charge of \$500.00 for the unauthorized use of Company facilities plus costs for any water used and for repair of any damages to Company property resulting there from.

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SHORELANDS WATER COMPANY, INC.  
BPU No. 5 - Water

FIRST REVISED SHEET NO. 31  
SUPERSEDING  
ORIGINAL SHEET NO. 31

**RATE SCHEDULE NO. 5**  
**EMERGENCY OR BACKUP BULK RATE SALES**

Applicability:

Applicable to emergency/backup bulk sales to municipalities or other water purveyors which sales do not fall within RATE SCHEDULE 6.

Character of Service:

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

Rates:

Fixed Service charge.

<u>Meter Size</u>	<u>Non-Exempt Per Month</u>	<u>Non-Exempt Per Quarter</u>	<u>Exempt Per Month</u>	<u>Exempt Per Quarter</u>
3" Meter	\$ 210.00	\$ 630.00	\$ 180.00	\$ 540.00
4" Meter	\$ 350.00	\$1050.00	\$ 300.00	\$ 900.00
6" Meter	\$ 700.00	\$2100.00	\$ 600.00	\$1800.00
8" Meter	\$1120.00	\$3360.00	\$ 960.00	\$2880.00
10" Meter	\$1610.00	\$4830.00	\$1380.00	\$4140.00

Meter Rates:

\$4.774 per thousand gallons - Non Exempt

\$4.099 per thousand gallons - Exempt

Exempt customers, as defined in N.J.S.A. 54:30A-17(b) and N.J.S.A. 54:30A-50(c), are those public utility corporations which are subject to the payment of a tax based on gross receipts.

Non-Exempt customers are all other customers not entitled to the statutory exemptions provided pursuant to N.J.S.A. 54:30A-17(h) and N.J.S.A. 54:30A-50(c). Uninterruptible and steady state customers are as defined in the Water Resale and Treatment Agreement.

Terms of Payments:

Bills are due within fifteen (15) days after mailing.

Conditions:

Subject to "Standard Terms and Conditions"

Special Provisions:

This service only available by yearly contract between municipality or other water purveyors and Company

Date of Issue . . . . ., 2015

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SHORELANDS WATER COMPANY, INC.  
BPU No. 5 - Water

FIRST REVISED SHEET NO. 12  
SUPERSEDING  
ORIGINAL SHEET NO. 32

**RATE SCHEDULE NO. 6**  
**SALES FOR RESALE - MANASQUAN**

**Applicability:**

Applicable to bulk sales to municipalities or other water purveyors taking water from the New Jersey Water Supply Authority ("NJWSA") delivered through Shorelands Water pursuant to Water Resale and Treatment contractual requirements where they pay the NJWSA directly for the raw water.

**Charges:**

A charge will be made for all water used pursuant to the take or pay contractual agreement as follows:

	<u>Non-Exempt</u> <u>Rate per Million Gallons</u>	<u>Exempt</u> <u>Rate per Million Gallons</u>
Uninterruptible	\$ 2614.00	\$2248.50
Steady State	\$ 3607.00	\$3103.00

Exempt customers, as defined in N.J.S.A. 54:30A-17(b) and N.J.S.A. 54:30A-50(c), are those public utility corporations which are subject to the payment of a tax based on gross receipts.

Non-Exempt customers are all other customers not entitled to the statutory exemptions provided pursuant to N.J.S.A. 54:30A-17(b) and N.J.S.A. 54:30A-50(c). Uninterruptible and steady state customers are as defined in the Water Resale and Treatment Agreement.

**FIXED SERVICE CHARGE**

All sales for resale service customers shall pay a fixed service charge based on the size of each meter installed, in addition to the charge for the quantity of water used if any. Customers with multiple meters shall be charged for each meter at the indicated rate.

<u>Size of Meter</u>	<u>Non-Exempt</u>		<u>Exempt</u>	
	<u>Per Month</u>	<u>Per Quarter</u>	<u>Per Month</u>	<u>Per Quarter</u>
3" Meter	\$ 210.00	\$ 630.00	\$180.00	\$ 540.00
4" Meter	\$ 350.00	\$1050.00	\$300.00	\$ 900.00
6" Meter	\$ 700.00	\$2100.00	\$600.00	\$1800.00
8" Meter	\$1120.00	\$3360.00	\$960.00	\$2880.00

**Terms of Payment:**

Bills for sale of water under this schedule will be rendered monthly, in arrears, due within 15 days after the bill is mailed. Payments which are not received within 25 days are subject to interest charges at the prime rate as set by Shrewsbury State Bank or its successor.

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SHORELANDS WATER COMPANY, INC.  
BPU No. 5 Water

FIRST REVISED SHEET NO. 33  
SUPERSEDED  
ORIGINAL SHEET NO. 33

**RATE SCHEDULE NO. 7**  
**PURCHASED WATER ADJUSTMENT CLAUSE**

A charge to the commodity charges contained within the Rate Schedules No. 1, 5, & 6 in accordance with N.J.A.C. 14:9-7.3, 7.4, & 7.5 shall be made as follows:

**GMN**

Non-Exempt - \$ 0.0000 per 1,000 gallons  
Exempt - \$ 0.0000 per 1,000 gallons

**Bulk Rate Sales**

Non-Exempt - \$ 0.0000 per 1,000 gallons  
Exempt - \$ 0.0000 per 1,000 gallons

**Monasquan**

Non-Exempt - \$ 0.0000 per 1,000 gallons  
Exempt - \$ 0.0000 per 1,000 gallons

The estimated twelve (12) month average cost shall be periodically redetermined by the Board of Public Utilities in accordance with true-up procedures set forth in N.J.A.C. 14:9-7.3, 7.4, & 7.5

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SHORELANDS WATER COMPANY, INC.  
BPU No. 5 - Water

FIRST REVISED SHEET NO. 34  
SUPERSEDING  
ORIGINAL SHEET NO. 34

**RATE SCHEDULE NO. 8**  
**SALES FOR RESALE - KEYPORT**

Applicability:

Applicable to bulk sales to the municipality of Keyport for sales which do not fall within RATE SCHEDULE NO. 6 (Sales for Resale - Manasquan) or RATE SCHEDULE NO. 5 (Emergency or Backup Bulk Rate Sales).

In order to qualify for the rate under this schedule, Keyport agrees to transfer to Shorelands Water Company diversion equal to 110% of the treated water delivered.

Rates:

A charge will be made for all water used based on the following:

Rate per Million Gallons  
\$1,500.00

Keyport is a Non-Exempt customer as defined in N.J.S.A. 54:30A-17(b) and N.J.S.A. 54:30A-50(c) wherein an Exempt customer is defined as a public utility corporation which is subject to the payment of a tax based on gross receipts.

Fixed Service Charge:

Keyport will pay a fixed service charge based on the size of each meter installed.

Size of Meter	Non-Exempt	
	Per Month	Per Quarter
4"	\$350.00	\$1050.00
6"	\$700.00	\$2100.00

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# SCHEDULE C

SCHEDULE C

Shorelands Water Co - Proof of Tariff

FIXED SERVICE CHARGES

SIZE	CUSTOMERS	CHARGE	INCOME	
5/8	8,440	\$14.00	\$118,960	
3/4	889	\$21.00	\$186,690	
1	1,556	\$35.00	\$544,600	
1 1/2	68	\$70.00	\$47,800	
2	159	\$112.00	\$17,808	
3	17	\$210.00	\$3,570	
4	15	\$350.00	\$5,250	
4 Ex-empt	2	\$350.00	\$700	
6	4	\$700.00	\$2,800	
6 Ex-empt	3	\$700.00	\$2,100	
8	0	\$1,120.00	\$0	
10	0	\$1,810.00	\$0	
	10,951	TOTAL CHARGE	\$2,990,172	2,990,172.00

PRIVATE FIRE PROTECTION

PRIVATE HYDRANT				
PRIVATE HYDRANT	108	\$55.00	\$5,940	
1" w/o hose	0	\$15.45	\$0	
2" w/o hose	3	\$50.00	\$150	
3" w/o hose	2	\$105.00	\$210	
4" w/o hose	0	\$150.00	\$0	
4" w/o hose	44	\$175.00	\$7,700	
4" w/ hose	3	\$260.00	\$780	
6" w/o hose	49	\$350.00	\$17,150	
6" w/ hose	9	\$500.00	\$4,500	
8" w/o hose	14	\$500.00	\$7,000	
8" w/ hose	9	\$500.00	\$4,500	
10" w/o hose	0	\$875.00	\$0	
10" w/ hose	1	\$1,240.00	\$1,240	
	134	TOTAL SPRINKLER	\$603,640	\$603,640

PUBLIC FIRE PROTECTION

PUBLIC HYDRANT	537	\$79.50	\$278,210
INCH-FT	7,707,150	\$0.1079	\$830,200

\$1,108,410

\$1,106,509

METERED CONSUMPTION

G.M.S.	1,138,000	\$4.7740	\$5,432,812
ABERDEEN (BULK)	44,000	\$4.7740	\$210,656
KEYPORT (BULK)	0	\$1.5000	\$0
U M R (XMP)	9,000	\$4.0980	\$36,881
SQUAN / KEYPORT	132,000	\$2.6140	\$345,048
SQUAN / U.BEACH	101,500	\$2.2485	\$228,591

1,424,500

\$8,390,186

\$8,390,186

MISC FEES

Shut-off Fees	540	\$40.00	\$21,600
Returned check	150	\$20.00	\$3,000
Misc Consumption			\$1,434
ICent			<u>\$15,000</u>

\$10,911,534