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RECEIVED

August 11, 2015

AUG 12 2015

BOARD OF PUBLIC UTILITIES
MAIL ROOM

VIA FEDERAL EXPRESS

Honorable Irene Kim Asbury, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Re: In the Matter of the Petition of Aqua New Jersey, Inc. for Approval
of a Municipal Consent to Provide Water Service to a Portion of
Byram Township and Other Related Approvals
BPU Docket No. WE15080957

Dear Secretary Asbury:

Enclosed for filing please find an original and ten (10) copies, plus one additional copy, of a Petition submitted on behalf of Aqua New Jersey, Inc., initiating the above-referenced matter.

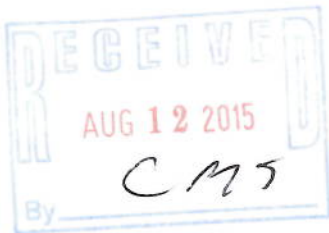
Kindly stamp the additional copy "filed" and return it in the enclosed self-addressed, stamped envelope. Thank you for your attention to this matter.

CHS
LEGAL
J. Kane
DAG
RPA
M. Moran
M. Kammer
CAF/jg
Enclosures
cc: Attached Service List (w/encl.)

M. Mosser
Water (G)

Respectfully submitted,

Colleen A. Foley
Colleen A. Foley



STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

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BOARD OF PUBLIC UTILITIES
MAIL ROOM

IN THE MATTER OF THE PETITION OF
AQUA NEW JERSEY, INC. FOR
APPROVAL OF A MUNICIPAL CONSENT TO
PROVIDE WATER SERVICE TO A PORTION
OF BYRAM TOWNSHIP AND OTHER
RELATED APPROVALS

PETITION

DOCKET NO. WE1508____

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

Petitioner, Aqua New Jersey, Inc., a public utility corporation of the State of New Jersey, having its principal office at 10 Black Forest Road, Hamilton, New Jersey 08691 (hereinafter referred to as “the Company” or “Aqua-NJ”), respectfully submits this petition pursuant to N.J.S.A. 48:2-14 and shows that:

1. Pursuant to an Assets Purchase Agreement dated June 22, 2015, the Company has agreed to acquire the water system assets owned by the Byram Homeowners Association Water Company, Inc. (the “HOA” or the “Seller”). The HOA water system provides water service¹ within the communities known as Forest West and Forest South, consisting of a total of 153 single-family homes located in a portion of Byram Township, County of Sussex (the “Township” or “Byram”).

2. In conjunction with the sale of the water system, the Township has enacted an ordinance (Ordinance No. 11-2015) which grants to the Company a franchise to provide water service to that portion of Byram served by the HOA. The ordinance was introduced on July 7, 2015, and adopted on July 21, 2015. A copy of the ordinance is attached as Exhibit A. Under the terms of the municipal consent, the Company is authorized to construct, maintain and operate

¹ Wastewater service is provided via individual septic systems.

a water works and distribution system in that portion of the Township served by the HOA for the purpose of providing water service to the Forest West and Forest South communities.

3. As noted above, Aqua-NJ has agreed to acquire the HOA water system assets. Although Board approval of the asset acquisition does not appear to be required, a copy of the water system Assets Purchase Agreement is attached as Exhibit B. As described more fully therein, Aqua-NJ has agreed to pay \$325,000 to purchase the water system assets. Aqua-NJ is not seeking Board approval at this time of the recovery of the costs of this transaction or of any possible acquisition adjustment. Rather, Aqua-NJ will address those matters in a future base rate proceeding. Upon completion of the assets purchase, Seller intends to abandon service to the Forest West and Forest South communities, and seeks Board approval pursuant to N.J.S.A. 48:2-24, to the extent necessary, of this action.

4. Currently, customers of the HOA pay a fixed charge of \$15.00 per month, and a volumetric charge of \$7.00 per thousand gallons. These charges are for water service and for private hydrant service within the Forest West and Forest South communities, and are higher than Aqua-NJ's current tariff rates. In addition, HOA customers presently pay two separate assessments of \$75.00 per quarter (\$600.00 total annually) to cover the costs of general repairs and improvements, and to cover the costs of a loan incurred through the New Jersey Environmental Infrastructure Trust. The Company proposes to provide water service to customers located in Byram at Aqua-NJ's current Board-approved tariff rates, billed on a monthly basis. In addition, the Company proposes to implement a \$6.50 monthly private hydrant fee (per customer) within the Forest West and Forest South communities.² The two

² Aqua-NJ's proposed monthly private hydrant fee was calculated to be approximately equivalent to its current per hydrant charge for public fire protection service. As noted in the Company's tariff, Rate Schedule No. 4, the monthly hydrant charge applicable to most of the Company's service territories is \$54.16 per hydrant. There are 18 hydrants in the Forest West and Forest South Communities, serving approximately 153 customers. If the Company were to charge the Township its current tariff rate for these hydrants that would generate annual revenues of

\$75.00 quarterly assessments will no longer be charged upon the closing of the proposed asset acquisition. Approval of Aqua-NJ's rate proposals will result in significant annual savings for the customers served by the HOA, and demonstrates that the proposed request is in the public interest.

5. The public interest will be served by approval of the requests in this Petition. Aqua-NJ will be able to bring significant financial, technical and managerial resources to bear in operating the water system assets now owned by the HOA, and serving the customers located in Byram. For example, Aqua-NJ has over \$550,000 in capital investments planned for the system over the next five years.³ The largest of these investments, totaling over \$200,000, is for the installation of treatment facilities to remediate levels of uranium in the water supply. As shown on the HOA's 2015 Annual Drinking Water Quality Report, attached as Exhibit C, the HOA has experienced a Combined Uranium level in excess of the allowed Maximum Contaminant Level, and treatment facilities may be needed. Given the cost of the uranium treatment facilities, Aqua respectfully requests that the Board approve deferred accounting treatment for these costs consistent with the approach authorized previously in connection with the installation of facilities to remediate levels of radionuclides. The upgrading and/or addition of the HOA's facilities will be a significant benefit to the residents of Byram, and demonstrates the proposed request is in the public interest.

6. The HOA has no employees, and operates the water system using contracted services. Therefore, the proposed asset acquisition and franchise approval will have no impact on employment. It is the intention of the Company that the system will be included in, and served by, the Company's Northern Division, located in Phillipsburg. Company employees will

approximately \$11,700. By comparison, the Company's proposed private hydrant fee will generate annual revenues of approximately \$11,900.

³ Among the specific investments Aqua-NJ plans to make in the system are the following major categories of items: RF meter installations (\$22,000), main, service and valve repairs/replacements (\$77,600), SCADA upgrade/installation (\$20,000), generator for back-up power (\$33,000), and storage tank rehabilitation (\$105,000).

visit the system on a regular basis. Emergencies and customer service inquiries for customers served by the HOA will be handled by Aqua-NJ in the same manner as the Company handles these matters for all of its existing customers: customers will have access to customer service representatives 24/7 to respond to emergencies, answer service questions, and address billing matters.

7. As with other small system acquisitions it has completed, Aqua-NJ intends to perform a comprehensive system review and may seek an acquisition adjustment in a future base rate proceeding. Aqua-NJ requests that any consideration of an acquisition adjustment be deferred to a future base rate proceeding.

8. All correspondence regarding this Petition should be addressed to the undersigned with copies to the following:

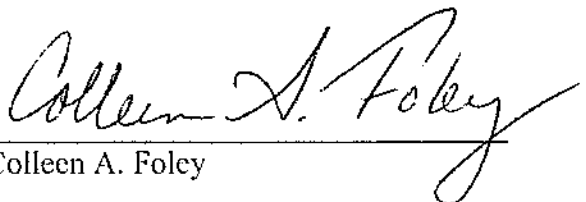
Nicholas V. Asselta
President
Aqua New Jersey, Inc.
10 Black Forest Road
Hamilton, NJ 08691

Steven E. Spencer
Director of Corporate Development
Aqua New Jersey, Inc.
10 Black Forest Road
Hamilton, NJ 08691

WHEREFORE, Petitioner, Aqua New Jersey, Inc., respectfully requests that the Board of Public Utilities:

1. approve the municipal consent as described more fully herein;
2. approve the Company's use of its existing tariff rates for monthly charges for water service to customers served by the HOA water system;
3. approve the implementation of a \$6.50 per customer monthly fee for private hydrant service;
4. approve deferred accounting treatment related to the installation of uranium treatment facilities;
5. authorize the HOA, to the extent necessary, to abandon the provision of water service upon the closing of the asset purchase transaction; and
6. to grant such other relief as the Board deems necessary, just and reasonable.

Respectfully submitted,
Saul Ewing LLP
Attorneys for Aqua New Jersey, Inc.

By: 
Colleen A. Foley

DATED: August 11, 2015

VERIFICATION

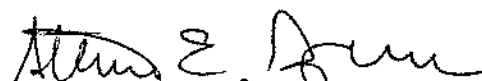
STATE OF NEW JERSEY)
 :
COUNTY OF MERCER)

Steven E. Spencer, of full age, being duly sworn, upon his oath deposes and says:

1. I am Director of Corporate Development of Aqua New Jersey, Inc., Petitioner in the foregoing Petition, and in that capacity I am authorized to make this Verification on behalf of Aqua New Jersey, Inc. in this matter.


2. I have reviewed the within Petition and exhibits thereto, and the same are true and correct to the best of my knowledge, information and belief.

3. I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

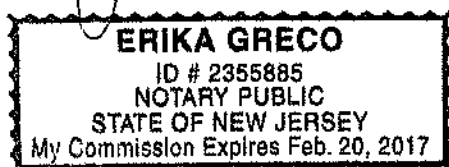


Steven E. Spencer

Sworn to and subscribed before me
this 4th day of August, 2015.



Notary Public
My commission expires: 2-20-2017



CERTIFICATION OF SERVICE

Colleen A. Foley, an Attorney at Law of the State of New Jersey, hereby certifies as follows:

1. I am a Partner at the firm of Saul Ewing LLP, attorneys for Petitioner, Aqua New Jersey, Inc., and in that capacity I make the within Certification.
2. On this date, I caused to be filed by Federal Express an original and ten (10) copies of the attached Petition with the Secretary of the New Jersey Board of Public Utilities.
3. On this date, I caused to be served by Federal Express, two (2) copies of the attached Petition on the Clerk, Byram Township.
4. On this date, I caused to be served by Federal Express, two (2) copies of the attached Petition on each of the Clerk, Sussex County Board of Chosen Freeholders, and the Administrator, Sussex County.
5. On this date, I caused to be served by first class mail, two (2) copies of the attached Petition on each of the Division of Rate Counsel and the Department of Law & Public Safety.

I certify that the foregoing statements made by me are true. I understand that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Saul Ewing LLP
Attorneys for Petitioner
Aqua New Jersey, Inc.

By: _____

Colleen A. Foley

DATED: August 11, 2015