



Agenda Date: 10/20/17  
Agenda Item: VA

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 3<sup>RD</sup> Floor, Suite 314  
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 NEW )  
JERSEY-AMERICAN WATER COMPANY, INC. FOR )  
APPROVAL OF INCREASED TARIFF RATES AND )  
CHARGES FOR WATER AND WASTEWATER )  
SERVICE, CHANGE IN DEPRECIATION RATES AND )  
OTHER TARIFF MODIFICATIONS )  
ORDER SUSPENDING )  
INCREASES, CHANGES OR )  
ALTERATIONS IN RATES )  
FOR SERVICE )  
DOCKET NO. WR17090985

**Parties of Record:**

**Ira G. Megdal, Esq.**, Cozen O'Connor, PC, on behalf of New Jersey-American Water Company, Inc.  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

BY THE BOARD:<sup>1</sup>

On September 14, 2017, New Jersey-American Water Company ("Company" or "Petitioner"), a public utility of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities ("Board"), filed a Petition pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1,<sup>2</sup> N.J.A.C. 14:1-5.7 and N.J.A.C. 14:1-5.12, seeking to increase rates for water and wastewater service. The combined proposed rates would increase the Company's annual revenues by \$129.3 million or approximately 17.54% over pro-forma present rate revenues. Petitioner serves approximately 631,000 water and fire service customers and approximately 41,000 sewer service customers. The increase in rates was proposed to become effective on October 15, 2017.<sup>3</sup> Petitioner proposes an amortization period of five years for these investments.

<sup>1</sup> Commissioner Dianne Solomon did not participate.

<sup>2</sup> The Board notes that although the petition cites N.J.S.A. 48:2-21.1, the petition does not include a request for an adjustment of rates during the pendency of the hearing.

<sup>3</sup> On September 22, 2017, the Company filed a letter with the Board via electronic mail stating that it will not implement rates on an interim basis prior to the effective date of the Board's Suspension Order resulting from the Board's October 20, 2017 Agenda Meeting. However, the Company states that it does not waive its "right to implement the proposed rates at the conclusion of the eight month suspension period on June 15, 2018 should the Board not issue a final Decision and Order by that date." Id.

According to the Petition, the rate increase is required: (a) to establish an income level that will permit the Company to finance essential and continuing plant investment; (b) to permit the Company to earn a fair and adequate rate of return on its net investment in used and useful property; (c) to establish rates which will be sufficient to enable the Company, under efficient and economical operation, to maintain and support its financial integrity and to raise such funds as may be necessary for the proper discharge of its public duties; (d) to provide earnings sufficient to attract investors and provide sufficient cash flow to fund the Company's operations; and (e) to enable the Company to continue to provide safe, adequate and proper service to its customers.

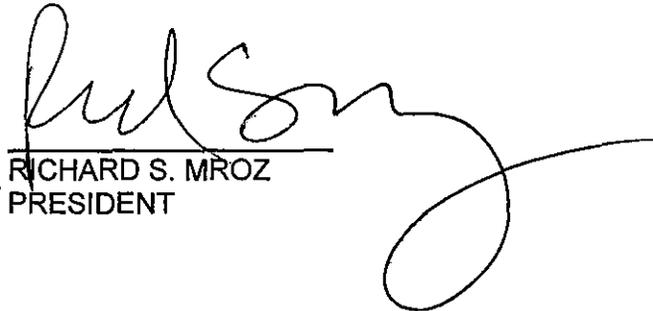
It appearing that the proposed revisions will increase existing rates and change or alter existing classifications in Petitioner's tariff, it is **HEREBY ORDERED** that:

- (1) Pursuant to N.J.S.A. 48:2-21, the proposed revisions be, and are suspended until February 15, 2018, unless the Board prior to that date, makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) Petitioner shall, at least ten (10) days prior to the date set for hearing on the petition by the Office of Administrative Law, file with this Board and with the Office of Administrative Law (33 Washington Street, Newark N.J. 07102) proof of compliance with the Notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which Notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) Petitioner shall serve copies of this Order upon the Office of Administrative Law, Division of Rate Counsel (140 East Front Street, 4<sup>th</sup> Floor, Post Office Box 003, Trenton, NJ 08625-0003), the clerk of each affected municipality, the clerk of the Boards of Chosen Freeholders of each affected county, and where appropriate, the executive officer of each affected county within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously. Proof of service of this Order shall be filed with the Board within fifteen (15) days of the date of this Order.

This Order shall be effective on October 30, 2017.

DATED: 10/20/17

BOARD OF PUBLIC UTILITIES  
BY:



RICHARD S. MROZ  
PRESIDENT



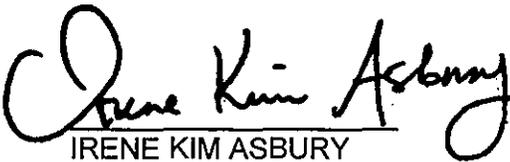
JOSEPH L. FIORDALISO  
COMMISSIONER



MARY-ANNA HOLDEN  
COMMISSIONER



UPENDRA J. CHIVUKULA  
COMMISSIONER

ATTEST:   
IRENE KIM ASBURY  
SECRETARY

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



**IN THE MATTER OF THE PETITION OF NEW JERSEY-AMERICAN WATER COMPANY,  
INC. FOR APPROVAL OF INCREASED TARIFF RATES AND CHARGES FOR WATER AND  
WASTEWATER SERVICE, CHANGE IN DEPRECIATION RATES AND OTHER TARIFF  
MODIFICATIONS - BPU DOCKET NO. WR17090985**

**SERVICE LIST**

Ira G. Megdal, Esq.  
Cozen O'Connor  
457 Haddonfield Road, Suite 300  
Post Office Box Box 5459  
Cherry Hill, NJ 08002  
[Imegdal@cozen.com](mailto:Imegdal@cozen.com)

Stefanie A. Brand, Esq., Director  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Floor  
Post Office Box 003  
Trenton, NJ 08625-0003  
[sbrand@rpa.nj.gov](mailto:sbrand@rpa.nj.gov)

Irene Kim Asbury, Esq.  
Secretary of the Board  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Irene.asbury@bpu.nj.gov](mailto:Irene.asbury@bpu.nj.gov)

Maria L. Moran, Director  
Division of Water  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Maria.Moran@bpu.nj.gov](mailto:Maria.Moran@bpu.nj.gov)