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By *CMS*
Robert J. Brabston
Corporate Counsel
167 J.F. Kennedy Parkway
Short Hills, NJ 07078
Robert.Brabston@amwater.com
P 973.564.5716
F 973.564.5708

July 8, 2015

Via UPS

Hon. Irene Kim Asbury Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

WT 15070780

Re: In The Matter of the Petition of New Jersey-American Water Company, Inc. for Implementation of an Initial Tariff for Wastewater Service within Elk Township, County of Gloucester

Dear Secretary Asbury:

On behalf of New Jersey American Water Company ("NJAWC"), enclosed herewith are an original and eleven (11) copies of the above referenced petition for approval to implement an initial tariff for wastewater service pursuant to N.J.S.A. 48:2-13, N.J.S.A. 48:2-21, N.J.A.C. 14:1-5.11, and such statutes, regulations and Board orders that may be deemed by the Board to be applicable, within the Township of Elk.

Please stamp the extra copy of the filing as "Filed" and return it to the undersigned in the enclosed, self-addressed stamped envelope.

Respectfully submitted,

Robert J. Brabston
Corporate Counsel

RJB:dlc
Enc.

CMS
LEGAL
DAG
RPA
J. Kane
M. KAMMER
M. MORAN
WATER(3)

cc: Attached Service List (via email, w/enc.)

**In The Matter of the Petition of
New Jersey-American Water Company, Inc. for Implementation of an Initial Tariff for
Wastewater Service within Elk Township, County of Gloucester**

Service List

Maria Moran
Division of Water
Board of Public Utilities
44 South Clinton Ave, 9th Fl.
PO Box 350
Trenton, New Jersey 08625-0350
maria.moran@bpu.state.nj.us

Michael Kammer
Division of Water
Board of Public Utilities
44 South Clinton Ave, 9th Fl.
PO Box 350
Trenton, New Jersey 08625-0350
mike.kammer@bpu.state.nj.us

Mona Mosser
Board of Public Utilities
44 South Clinton Ave, 9th Fl.
PO Box 350
Trenton, New Jersey 08625-0350
mona.mosser@bpu.state.nj.us

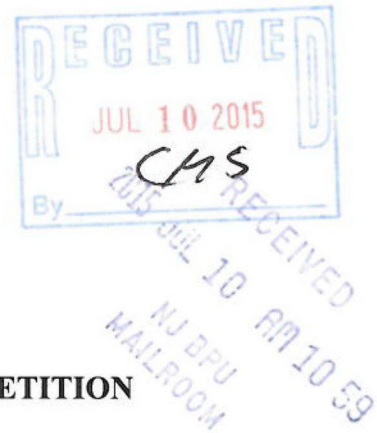
Stefanie A. Brand, Director
Division of Rate Counsel
140 East Front Street, 4th Floor
PO Box 003
Trenton, New Jersey 08625
sbrand@rpa.state.nj.us

Debra F. Robinson, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
PO Box 003
Trenton, New Jersey 08625
drobinso@rpa.state.nj.us

Robert J. Brabston, Esquire
New Jersey-American Water Company, Inc.
167 J.F. Kennedy Parkway
Short Hills, New Jersey 07078
robert.brabston@amwater.com

Dante M. DeStefano
New Jersey-American Water Company, Inc.
1025 Laurel Oak Road
Voorhees, New Jersey 08043
dante.destefano@amwater.com

Elliott D. Schwartz, PE
New Jersey-American Water Company, Inc.
100 James Street
Lakewood, New Jersey 08701
elliott.schwartz@amwater.com



BEFORE THE
STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF
NEW JERSEY-AMERICAN WATER
COMPANY, INC. FOR IMPLEMENTATION
OF AN INITIAL TARIFF FOR
WASTEWATER SERVICE WITHIN ELK
TOWNSHIP, COUNTY OF GLOUCESTER

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PETITION

BPU DOCKET NO. _____

TO: THE HONORABLE BOARD OF PUBLIC UTILITIES

Petitioner, New Jersey-American Water Company, Inc. ("NJAWC", "Company", or "Petitioner"), a duly organized and existing public utility corporation of the State of New Jersey, with its principal office at 1025 Laurel Oak Road, Voorhees, New Jersey, 08043, hereby petitions the Board of Public Utilities ("Board") for approval, pursuant to N.J.S.A. 48:2-13, N.J.S.A. 48:2-21, N.J.A.C. 14:1-5.11, and such other regulations and statutes as may be deemed applicable and appropriate by the Board, of an initial tariff for wastewater service within Elk Township (the "Township"), pursuant to the municipal consent and franchise granted by the Township and approved by the Board on April 29, 2013 in Docket No. WE12070661, states as follows:

1. NJAWC is a regulated public utility corporation engaged in the production, treatment and distribution of water and collection of sewage within its defined service territory within the State of New Jersey. Said service territory includes portions of the following counties: Atlantic, Bergen, Burlington, Camden, Cape May, Essex, Gloucester, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Salem, Somerset, Union and Warren.

2. By this Petition, NJAWC is seeking approval of an initial tariff rate schedule for wastewater service under the terms and conditions of its existing tariff, on file with and approved by the Board, as modified by the specific terms, conditions and rates set forth on the proposed initial tariff sheets, four copies of which are attached hereto as Exhibit A, and incorporated into this Petition by reference, pursuant to N.J.A.C. 14:1-5.11.

3. The tariff is a new tariff and therefore does not differ from any existing or prior tariff. The wastewater system that is the subject of this initial tariff filing is part of a new housing development in a municipality with no current NJAWC customers. As such, no current tariff exists for wastewater service customers in this service area, and a new tariff rate schedule is being requested.

4. The proposed new tariff is expected to generate approximately \$17,000 in annual revenue in the first year and approximately \$50,000 in the second year. (See Exhibit C for pro forma income statements.)

5. The tariff is proposed to allow for initial wastewater service to commence in the area to be served.

6. Notice of this tariff and the rates therein will be provided to initial customers by the Developer by hand delivery at the time of closing, along with a welcome packet from the Company, a copy of which is attached hereto as Exhibit B.

7. The initial tariff is proposed to be made effective on August 1, 2015.

8. Pro forma income statements for each of the first two years of operations and estimated balance sheets as at the beginning and end of each year of said two-year period are attached hereto as Exhibit C.

9. The Township encompasses approximately 20 square miles and has a population of approximately 4,200 people. The municipal consent and franchise area encompasses the

geographic borders of the Township. The development to be served by the Company pursuant to this initial tariff is the Aura Development by the Aura Development Group, LLC consisting of up to 395 residences once development is completed and fully occupied.. The proposed tariff is intended to be applicable to all wastewater customers within Elk Township unless and until modified in the course of the Petitioner's next base rate proceeding.

10. By this Petition, NJAWC is only seeking approval by the Board of the initial tariff. Petitioner is not, at this time, seeking any ratemaking treatment relative to any of the facilities providing service. Rather, in a separate docket, NJAWC will seek ratemaking recognition for the facilities, if appropriate, as part of its next general base rate proceeding.

11. For the reasons stated above, including the Board's approval of the municipal consent and franchise granted by the Township, approval of the initial tariff will serve the public convenience and properly conserve the public interests pursuant to N.J.S.A. 48:2-13. As a result, the Board should approve the initial tariff, and address any ratemaking issues in a base rate case to be filed by Petitioner.

12. The Petitioner has not yet commenced wastewater service within the service area of Elk Township covered by the municipal consent and franchise and to be served pursuant to the initial tariff.

WHEREFORE, Petitioner respectfully requests that the Board approve the initial tariff and grant such other and further relief as the Board may deem reasonable and appropriate under the circumstances.

Respectfully submitted,

New Jersey-American Water Company, Inc.

By: 
Robert J. Brabston, Esq.

Dated: July 8, 2015

Communications addressed to the Petitioner in this case are to be sent to:

Robert J. Brabston, Esquire
New Jersey-American Water Company, Inc.
167 J.F. Kennedy Parkway
Short Hills, New Jersey 07078
Phone: (973) 564-5716
Fax: (973) 564-5708
robert.brabston@amwater.com

Dante M. DeStefano
New Jersey-American Water Company, Inc.
1025 Laurel Oak Road
Voorhees, New Jersey 08043
dante.destefano@amwater.com

Elliott D. Schwartz, PE, Engineering Manager
New Jersey-American Water Company, Inc.
100 James Street
Lakewood, NJ 08701
elliott.schwartz@amwater.com

VERIFICATION

STATE OF NEW JERSEY

ss.

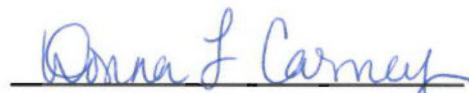
COUNTY OF CAMDEN

I, FRANK X. SIMPSON, of full age, being duly sworn according to law, upon my oath depose and say:

1. I am the Director of Rates and Regulation, New Jersey-American Water Company, Inc., the Petitioner herein, and am authorized to make this verification on behalf of said Petitioner.
2. I have reviewed the within Petition and the attachments thereto, and the information contained therein is true and accurate according to the best of my knowledge, information and belief.


FRANK X. SIMPSON

Sworn to and subscribed before me this 7th day of July, 2015.


DONNA CARNEY
NOTARY PUBLIC OF NEW JERSEY
Commission Expires May 24, 2018



RATE SCHEDULE 12-A
GENERAL METERED SERVICE

APPLICABILITY

Applicable for general residential, commercial, industrial and municipal wastewater service in Elk Township. The charge for wastewater service shall consist of the total of the Fixed Service Charge and the Sewer Usage Charge.

CHARACTER OF SERVICE

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

FIXED SERVICE CHARGE

All wastewater service customers shall pay a Fixed Service Charge in addition to the Sewer Usage Charge, if any, as follows:

Fixed Service Charge per customer per month.	<u>Non-Exempt</u> \$ 15.06
--	-------------------------------

SEWER USAGE CHARGE

The volume of sewer use is assumed to equal water meter registration. Monthly Sewer Usage Charges shall be determined based upon winter quarter consumption, but in no case less than 2,000 gallons per month. Winter quarter consumption shall be determined based on an initial water meter reading taken in December of one year with the concluding meter reading taken approximately 90 days thereafter in March of the following year.

The monthly Sewer Usage Charge shall be determined as follows:

Meters read in January, February and March

The Sewer Usage Charge for each respective month shall be determined by multiplying the applicable monthly usage times applicable volumetric charges.

Meters read in April through December

The Sewer Usage Charge for each month April through December shall be based on the Monthly Usage Constant, equal to one-third of the winter quarter consumption, but in no case less than 2,000 gallons per month, multiplied by applicable volumetric charges.

Volumetric Charges

	<u>Gallons</u> <u>Per Month</u>	<u>Gallons</u> <u>Per Quarter</u>	<u>Rate</u> <u>Per 100 Gallons</u>	<u>Rate</u> <u>Per 1,000 Gallons</u>
Non-Exempt	All	All	\$0.68546	\$6.8546
	<u>Cubic Feet</u> <u>Per Month</u>	<u>Cubic Feet</u> <u>Per Quarter</u>	<u>Rate</u> <u>Per 10 Cubic Feet</u>	<u>Rate</u> <u>Per 100 Cubic Feet</u>
Non -Exempt	All	All	\$0.51272	\$5.1272

(Continued)

Issued:

Effective: April 1, 2015

By: William M. Varley, President
1025 Laurel Oak Road, Voorhees, New Jersey 08043
Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. _____ dated _____

RATE SCHEDULE 12-A
GENERAL METERED SERVICE
(Continued)

In the case of new customers, the volume of sewer use shall be determined as follows:

1. New Customers In An Existing Dwelling or Premises For Which Actual Full Period Winter Quarter Usage History is Available.

Determination of the monthly use constant shall be based on the last known full period winter quarter usage at that property, but in no case less than 2,000 gallons per month. This monthly use constant will be used for billing purposes until the customer receives the January bill in the following year. The January and subsequent bills will be calculated in accordance with the method described in this Tariff for determining the monthly Sewer Usage Charge.

2. Existing or New Customers In An Existing or New Dwelling or Premises For Which No Full Period Winter Quarter History Has Been Established.

- a. For service established outside of the winter quarter:

Determination of the monthly use constant shall be based on 12,000 gallons per quarter (a monthly usage constant of 4,000 gallons) until the customer receives the January bill in the following year. The January and subsequent bills will be calculated in accordance with the method described in this Tariff for determining the monthly Sewer Usage Charge.

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TERMS OF PAYMENT

Valid bills for service furnished under this schedule will be rendered monthly in arrears (or quarterly at the option of the Company), and 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.

Whenever service is established or is discontinued, all applicable fixed charges shall be prorated to the date of establishment or discontinuance of service.

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WELCOME TO NEW JERSEY AMERICAN WATER



It's a privilege for us to serve you.

Welcome to New Jersey American Water. We are proud to be your new water service provider. Our focus is to provide you with around-the-clock, high-quality, reliable water service each and every day, and we have the people and technologies in place to get the job done right.

We are the largest water service provider in the state serving approximately 2.5 million people in more than 180 communities. Our 800-plus employees are dedicated to meeting your needs, whether it be meeting state and federal drinking water standards, providing 24-hour emergency service or investing millions each year to upgrade our infrastructure.

If you have questions about your water or wastewater service, don't hesitate to call. Thank you for allowing us to serve you. It really is a privilege.

Sincerely,

William M. Varley
President

Congratulations on your new home in Elk Township! We look forward to serving you!

STEP 1: If you haven't done so already, contact us to set up an account with New Jersey American Water and activate service.

Apply Online: Apply for service online any time using our web self-service tool My H2O Online at amwater.com/myh2o.

By Phone: Our customer service representatives are available Monday-Friday, 7 a.m. to 7 p.m. at:

1-800-272-1325

Serving more than one out of every four people in New Jersey

New Jersey American Water has been providing high-quality, reliable water service to customers statewide for more than a century.

Invested in our facilities

We are committed to investing in our systems. Our team of experts continuously monitor, maintain and upgrade our facilities to ensure that they operate efficiently and meet all regulatory standards. **Each year, we invest millions in our facilities statewide.** These projects help to improve water quality, service reliability and fire protection for the communities we serve. And, they create jobs. According to the U.S. EPA, every job in water and sewer creates three new jobs; \$1 billion in water infrastructure creates 40,000 jobs.



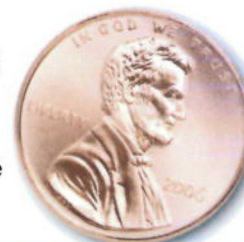
Committed to water quality

At New Jersey American Water, we have an exceptional track record when it comes to water quality and monitoring. **Last year, our compliance record for meeting primary state and federal drinking water standards was 100 percent.** Our team of water quality experts and plant operators monitor your water from

(continued on reverse)

At less than a penny a gallon, water service is a real value

Water is a life essential resource—you need it every day for almost everything you do. New Jersey American Water takes its responsibility to provide reliable water service very seriously, and that's why we are continually looking for ways to improve the service we deliver. What's more, we provide water service to customers for about a penny per gallon. That is a great value when you consider what is involved in the treatment and delivery of water service.



Quality, care and value delivered in every drop.



source to tap. Plus, we have access to American Water's Central Lab, one of the most advanced water quality laboratories in the United States. Learn more online. Under Ensuring Water Quality, you'll find links to our water quality reports, answers to frequently asked questions and more.

Payment options

We understand how busy life can be, so we offer several convenient payment options. This includes paying by mail, in person, by phone or online. We also accept payments electronically through our automatic payment program (no checks to write and no stamps required)!

Online self service

As a customer, you have access to our self-service website, **My H2O Online**. Here, you can view and pay your bill, sign up for our automatic payment program, turn your water service on or off, view your water use history and more. Once you receive your account number with your first bill, register online at amwater.com/myh2o.

GO PAPERLESS

RECEIVE your bill electronically.

Join the thousands of customers who are enrolled in our Paperless Billing program. Sign up and eliminate the need for a paper bill to be mailed to you each month. Instead, we'll notify you by email when your bill is available to view online. Plus, you'll have easy access to electronic versions of any materials you would have received with your paper bill, along with past bills to view your usage history. Enroll today at amwater.com/myh2o. It's clutter-free, green and FREE!



Customer Assistance

For nearly a decade, New Jersey American Water has been lending a hand to customers in need through its **H2O Help to Others Program™**. The program offers assistance to customers who qualify in two ways:

- Grants of up to \$500
- A 100 percent discount on the monthly fixed service charge for water

Learn more. Contact our program administrator New Jersey SHARES toll-free at **1-877-652-9426**.

Partnering with our communities

New Jersey American Water plays an active role in its communities by supporting environmental and educational initiatives related to water. Our involvement ranges from watershed clean-up efforts to educational programs focused on drinking water and source water protection. Our community programs include:

- Environmental Grant Program
- Volunteer Firefighting Support Grant
- Speakers Bureau

About Your Rates

We are a regulated utility. Any changes in rates must be approved by the New Jersey Board of Public Utilities (NJBPU).

WATER RATES

Fixed monthly water service charge recovers the cost of providing meter reading and billing, as well as the capital costs for providing the service. See below.

Monthly Distribution System Improvement

Charge (DSIC) is a proven regulatory tool that allows for modest surcharges outside of the general rate proceeding for approved and completed rehabilitation and replacement of aging infrastructure.

Meter Size	Monthly Water Service Charge	DSIC Charge
5/8"	\$10.60	\$2.97
3/4"	\$15.90	\$4.45
1"	\$26.50	\$7.42
1.5"	\$53.00	\$14.84
2"	\$84.80	\$23.74

Volume Charge: This is based on the amount of water used and is \$5.9405 per 1,000 gallons (billed in 100s of gallons).

Purchased Water Adjustment Clause (PWAC):

The current rate is \$0.4525 per thousand gallons. The PWAC is considered a pass-through charge, which enables the company to recover the costs related to purchasing water from other water suppliers. Purchased water is used to supplement the Company's own surface water and groundwater supplies.

WASTEWATER RATES

Fixed Service Charge: \$15.06 per month.

Volume Charge: \$6.8546 per 1000 gallons based on water usage, with a 2,000 gallon minimum. For the winter quarter from January through March, the Volume Charge is applied to the actual water usage billed. Each month from April through December, the Volume Charge are applied to one-third of the total winter quarter usage. As a result of the 2,000 gallon minimum, the volume charge will not be less than \$13.71 from April through December.

Learn more Visit newjerseyamwater.com. Under the "Customer Service" menu, select "Rates Information."

Visit us online at www.newjerseyamwater.com



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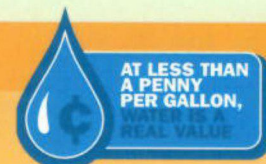
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**Proforma Income Statement - Elk Township Sewer
Years 1 and 2 of Rates in Effect
Unaudited**

	Unaudited Elk Twp Year 1	Unaudited Elk Twp Year 2
Operating revenues	\$ 16,856	\$ 50,569
Operating expenses		
Operation and maintenance	8,998	26,994
Depreciation	1,054	3,161
Amortization	-	-
General taxes	2,320	6,960
Total operating expenses, net	12,372	37,115
Operating income	4,485	13,454
Other income (deductions)		
Allowance for other funds used during construction	-	-
Other income, net	-	-
Total other income (deductions)	-	-
Income before interest charges and income taxes	4,485	13,454
Interest charges		
Interest on long-term debt	1,063	3,189
Interest on short-term debt	-	-
Amortization of debt expense	-	-
Other interest (income) expense, net	-	-
Allowance for borrowed funds used during construction	-	-
Total interest deductions (income)	1,063	3,189
Income before income taxes	3,422	10,265
Provision for income taxes	1,198	3,593
Net income	\$ 2,224	\$ 6,673

**Proforma Balance Sheet - Elk Township Sewer
As of Years 1 and 2
Unaudited**

	Assets		
	Unaudited Elk Twp Beginning Year 1	Unaudited Elk Twp End Year 1	Unaudited Elk Twp End Year 2
Property, plant and equipment			
Utility plant - at original cost, net of accumulated depreciation	\$ 1,530,820	\$ 1,529,766	\$ 1,526,605
Utility plant acquisition adjustments	-	-	-
Nonutility property	-	-	-
Total property, plant and equipment	<u>1,530,820</u>	<u>1,529,766</u>	<u>1,526,605</u>
Notes receivable	-	-	-
Current assets			
Cash and cash equivalents	-	3,278	13,111
Customer accounts receivable	-	1,405	4,214
Allowance for uncollectible accounts	-	(89)	(268)
Unbilled revenues	-	-	-
Other accounts receivable	-	-	-
Materials and supplies	-	-	-
Prepaid taxes	-	-	-
Other	-	-	-
Total current assets	<u>-</u>	<u>4,593</u>	<u>17,057</u>
Regulatory and other long-term assets			
Regulatory assets	-	-	-
Goodwill	-	-	-
Restricted funds	-	-	-
Other	-	-	-
Total regulatory and other long-term assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,530,820</u>	<u>\$ 1,534,359</u>	<u>\$ 1,543,662</u>
	Capitalization and Liabilities		
	Elk Twp Beginning Year 1	Elk Twp End Year 1	Elk Twp End Year 2
Capitalization			
Common stockholder's equity	\$ -	\$ 46,050	\$ 96,549
Long-term debt, excluding current portion	-	40,455	80,910
Total capitalization	<u>-</u>	<u>86,505</u>	<u>177,459</u>
Current liabilities			
Current portion of long-term debt	-	-	-
Accounts payable	-	1,315	3,946
Accrued purchased water	-	-	-
Accrued interest	-	-	-
Accrued taxes, including income taxes	-	-	-
Other	-	-	-
Total current liabilities	<u>-</u>	<u>1,315</u>	<u>3,946</u>
Regulatory and other long-term liabilities			
Deferred income taxes	-	-	-
Advances for construction	1,530,820	1,446,538	1,362,257
Deferred investment tax credits	-	-	-
Regulatory liabilities	-	-	-
Other	-	-	-
Total regulatory and other long-term liabilities	<u>1,530,820</u>	<u>1,446,538</u>	<u>1,362,257</u>
Contributions in aid of construction	-	-	-
Commitments and contingencies	-	-	-
Total Capitalization and Liabilities	<u>\$ 1,530,820</u>	<u>\$ 1,534,359</u>	<u>\$ 1,543,662</u>