



**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 AQUA NEW JERSEY, INC., WALLKILL SEWER DIVISION, FOR APPROVAL OF A RECONCILIATION OF PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE COSTS AND REVENUES AND OTHER REQUIRED APPROVALS	)	ORDER ADOPTING INITIAL DECISION/STIPULATION
	)	
	)	
	)	
	)	BPU DOCKET NO. WR15050631
	)	OAL DOCKET NO. PUC09355-2015N

**Parties of Record:**

**Colleen A. Foley, Esq., Saul Ewing, LLP**, on behalf of Aqua New Jersey, Inc., Wallkill Sewer Division  
**Stefanie A. Brand, Esq., Director**, New Jersey Division of Rate Counsel

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

On May 26, 2015, Aqua New Jersey, Inc. ("Aqua"), Wallkill Sewer Division ("Walkill", "Company" or "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. for approval of a Purchased Wastewater (Sewerage) Treatment Adjustment Clause ("PSTAC") true-up for calendar year 2014, and to set prospective rates for calendar year 2016 (as required by N.J.A.C. 14:9-7.7). The Company originally filed for an overall increase in PSTAC revenues totaling \$74,809.00 or approximately 54.427% above current PSTAC revenues of \$137,449.00

Walkill is a wastewater utility engaged in the collection and transmission of sewage. Walkill serves approximately 399 customers within a portion of Hardyston Township, Sussex County, New Jersey. The Sussex County Municipal Utilities Authority ("SCMUA") receives and treats all of the sewage transmitted by Walkill.

By this Order, the Board considers ALJ Bass's November 9, 2015 Initial Decision Settlement ("Initial Decision"), which recommends to the Board the Stipulation of Settlement ("Stipulation") executed by the Petitioner, the New Jersey Division of Rate Counsel ("Rate Counsel") and

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<sup>1</sup> Commissioner Upendra J. Chivukula recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

Board Staff ("Staff") (collectively, the "Parties"), agreeing to an overall increase in Petitioner's PSTAC revenues totaling \$66,123.00 or approximately 47.38% above pro forma PSTAC revenues at present rates of approximately \$139,559.00.

### **Background/Procedural History**

This matter was transmitted to the Office of Administrative Law ("OAL") on May 28, 2015, and Administrative Law Judge ("ALJ") Ellen S. Bass was assigned to hear the case. A telephone Pre-hearing Conference was held on August 18, 2015, outlining the issues in the case, setting forth a procedural schedule and scheduling the matter for hearings should the Parties have been unable to reach a settlement agreement fully disposing of all the issues.

After proper notice was given, a public hearing was held in the service territory on the evening of September 29, 2015, in Hardyston, New Jersey. Four (4) members of the public were in attendance, however, they were not customers of Walkill and also chose not to speak.

Petitioner's rates reflect the recovery of wastewater treatment charges imposed by SCUMA. The current PSTAC tariff was last examined and approved by the Board in an Order in Docket No. WR07040245, dated October 8, 2009, which examined PSTAC revenues and expenses applicable to the period ending December 31, 2006. In that Order, the Board also directed Walkill to file PSTAC true-up schedules for 2007 and 2008 within sixty days. At the time of the Board's Order in 2009, Walkill was independently owned and operated by Edgewater Associates. Walkill did not make the true-up filings required by the Board, and was eventually acquired by Aqua in late 2010. See In the Matter of the Acquisition of the Walkill Sewer Company by Aqua New Jersey, Inc. and Other Related Approvals, BPU Docket No. WM10020117. (Order dated October 5, 2010). Due to the unique facts of this case and the adverse impact of increased litigation filing costs upon ratepayers, Aqua seeks a limited waiver, pursuant to N.J.A.C. 14:1-1.2(b), of the requirements to file annual PSTAC true-ups and annual petitions for adjustment pursuant to N.J.A.C. 14:9-7.3(e), from 2010 to 2013.

The Parties participated in a settlement conference on October 13, 2015 and subsequently entered into a Stipulation. In this proceeding, the Parties examined the Petitioner's revenues and SCMUA expenses for calendar year 2014, Walkill's projected 2016 SCMUA expenses, as well as a review of the costs associated with the filing of this proceeding. Based on that review, and subsequent settlement negotiations, the Parties reached a settlement on all issues and entered into a Stipulation that, among other things, provides for an overall Increase in Walkill's PSTAC revenues totaling \$66,123.00, and is calculated based on the following components:

- a) An under-recovery of actual wastewater treatment charges of approximately \$30,951.00 for the calendar year ending December 31, 2014 (See Exhibit A, attached hereto, pages 1 to 3);
- b) Projected SCMUA charges for 2016 of \$167,308.00 based on SCMUA rates effective for 2016 (See Exhibit A, page 5);
- c) The total costs of this proceeding are deemed to be \$14,848.00 (See Exhibit A, page 4). These costs will be shared 50/50 between ratepayers and shareholders, resulting in a cost to customers of \$7,424.00 (See Exhibit A, page 7); and
- d) The pro forma PSTAC revenues present rates are projected to be \$139,559.00 (See Exhibit A, page 6).

As required in N.J.A.C. 14:9-7.7 and the Board's Order in Docket No. WR14070803, the Petitioner has included in its filing an estimate of SCMUA costs for calendar year 2016, which estimate has been used to determine the applicable PSTAC rate for 2015.

### **Discussions and Findings**<sup>2</sup>

Regarding Aqua's request for a limited waiver, pursuant to N.J.A.C. 14:1-1.2(b), of the requirements to file annual PSTAC true-ups and annual petitions for adjustment pursuant to N.J.A.C. 14:9-7.3(e), from 2010 to 2013, N.J.A.C. 14:1-1.2 provides in part:

(a) These rules shall be liberally construed to permit the Board to effectively carry out its statutory functions and to secure just and expeditious determination of issues properly presented to the Board.

(b) In special cases and for good cause shown, the Board may, unless otherwise specifically stated, relax or permit deviations from these rules.

According to the Parties' Stipulation, the waiver request is due to the unique facts of this case and the adverse impact of increased litigation filing costs upon ratepayers. Also, for the period 2007 through 2013, Walkkill's wastewater treatment expenses exceeded revenues by \$52,150, and Aqua has agreed not to seek to recover this amount from customers. In Walkkill's last base rate case, In the Matter of the Petition of the Walkkill Sewer Company for Approval of an Increase in Rates for Sewer Service and the Establishment of a Purchased Sewer Treatment Adjustment Clause (PSTAC), BPU Docket Nos. WR02030193 and WR02030194, Order dated August 7, 2003, the Board determined that there was no finding of rate base established for the Company as provided for under N.J.S.A. 48:2-21.2(1)(a) and as supported by the evidence adduced during that rate proceeding. All things considered, the Board **HEREBY FINDS** the requested waiver reasonable and therefore **HEREBY GRANTS** the requested waiver.

Based on the estimated costs for 2015, the under-recovery for 2014, and the costs of this proceeding, there is a total overall increase in PSTAC revenues of \$66,123.00. The Parties have agreed that Petitioner's current PSTAC volumetric rate on file with the Board should be revised to reflect an increase from \$5.48 per thousand gallons to \$8.08 per thousand gallons pursuant to the rates indicated on Exhibit A attached to the Stipulation (and the attached proposed tariff). This reflects an increase in the PSTAC volumetric rate of \$2.60 or approximately 47.38%.

The average residential customer, with a 5/8" meter utilizing approximately 3,900 gallons of water per month, would see an increase in his wastewater bill from \$34.86 to \$44.97 per month, which equates to an overall monthly increase in the total wastewater bill of \$10.11 or approximately 29.00% increase.

Having reviewed the Initial Decision and the Stipulation of Settlement, 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. The Board **FURTHER FINDS** the Initial Decision, which adopts the Stipulation to be reasonable, in the public interest,

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<sup>2</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.

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:

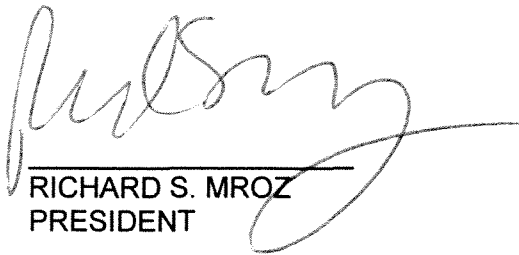
In accordance with the provisions of N.J.A.C. 14:9-7.3(c), the Petitioner shall file with the Board, no later than 45 days after the adjustment clause has been in effect for one year, or by February 28, 2017, whichever is earlier, a PSTAC true-up filing in connection with this proceeding. This filing shall include an estimate of the SCMUA costs for calendar year 2016. Copies of the true-up filing shall be served upon all parties to the present proceeding.

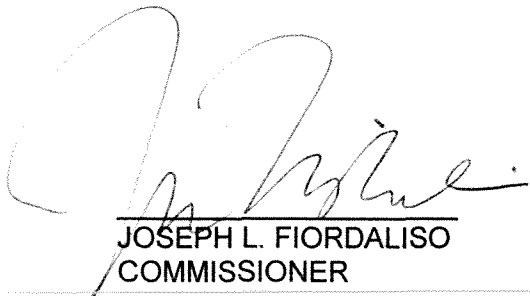
The Board **HEREBY DIRECTS** the Company to file tariff page conforming to the terms and conditions of the Stipulation and this Order within ten (10) days from the effective date of this Order.

The effective date of this Order is November 26, 2015, with rates to become effective January 1, 2016.

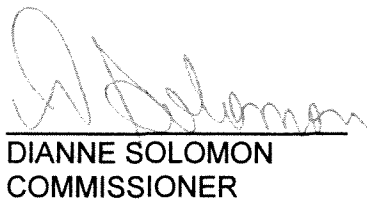
DATED: 11-16-15

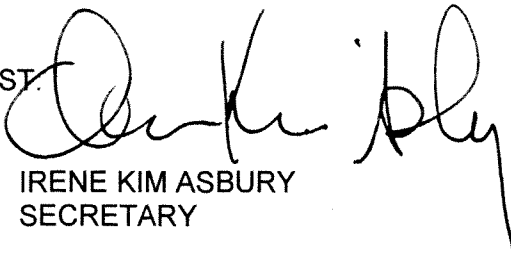
BOARD OF PUBLIC UTILITIES  
BY:

  
RICHARD S. MROZ  
PRESIDENT

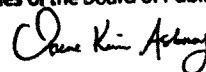
  
JOSEPH L. FIORDALISO  
COMMISSIONER

  
MARY-ANNA HOLDEN  
COMMISSIONER

  
DIANNE SOLOMON  
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 Aqua New Jersey, Inc., Walkkill Sewer Division,  
For Approval of a Reconciliation of Purchased Wastewater Treatment Adjustment Clause  
Costs and Revenues and Other Required Approvals  
BPU Docket No. WR15050631  
OAL Docket No. PUC09355-2015N

SERVICE LIST

Colleen A. Foley, Esq.  
Saul Ewing, LLP  
One Riverfront Plaza, Suite 1520  
Newark, NJ 07102

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



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MAIL RECEIVED

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

**INITIAL DECISION**

**SETTLEMENT**

OAL DKT. NO. PUC 9355-15

AGENCY DKT. NO. WR 15050631

NOV 12 2015  
water/koczur

**I/M/O THE PETITION OF AQUA NEW JERSEY, INC.,  
WALKILL WASTEWATER TREATMENT DIVISION,  
FOR AN APPROVAL OF A 2014 PURCHASED  
WASTEWATER TREATMENT ADJUSTMENT CLAUSE  
("PSTAC") TRU-UP AND OTHER REQUIRED APPROVALS.**

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**Colleen A. Foley, Esq.**, for petitioner Aqua America, Inc., (Saul Ewing,  
attorneys)

**Susan E. McClure, Esq.**, Deputy Rate Counsel, (Stephanie Brand, Director,  
attorney)

**David Wand**, Deputy Attorney General, for the Staff of the Board of Public  
Utilities (John J. Hoffman, Acting Attorney General of New Jersey,  
attorney)

*Handwritten notes:*  
Sims  
V. Haynes  
D. Lee Thomas  
M. Moran  
M. Kemmer  
WATER  
E. Bestow  
J. Gertsman  
J. Kane  
C. Vachier

Record Closed: November 9, 2015

Decided: November 9, 2015

**BEFORE ELLEN S. BASS, ALJ:**

On June 12, 2015, this matter was transmitted to the Office of Administrative Law (OAL) for hearing as a contested case pursuant to N.J.S.A. 52:14B-1 to-15 and N.J.S.A. 52:14F 1 to- 13. A Public Hearing was held on September 29, 2015 in Hardyston, New

Jersey. During the pendency of the case at the OAL, the parties reached a Settlement. A Settlement Agreement was prepared and executed indicating the terms of the agreement, which are incorporated herein by reference.

I have reviewed the record and the terms of settlement and I **FIND**:

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

I **CONCLUDE** that this agreement meets the requirements of N.J.A.C. 1:1-19.1 and that the settlement should be approved. I approve the settlement and therefore **ORDER** that the parties comply with the settlement terms and that these proceedings be concluded.

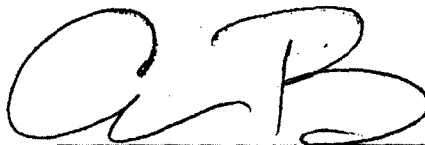
I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

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.

November 9, 2015

\_\_\_\_\_

DATE



\_\_\_\_\_

**ELLEN S. BASS, ALJ**

Date Received at Agency:

\_\_\_\_\_

Date Mailed to Parties:

\_\_\_\_\_

Attachment

/rr





1. Petitioner, the Wallkill Sewer Division of Aqua New Jersey, Inc., operates a sewage collection and transmission system within a portion of the Township of Hardyston, County of Sussex, New Jersey. Petitioner serves approximately 399 customers within this portion of its service territory. Aqua New Jersey, Inc. is a public utility corporation of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities (the "Board"). Aqua's principal business office is located at 10 Black Forest Road, Hamilton, New Jersey 08691.

2. On May 26, 2015, pursuant to N.J.A.C. 14:9-7.1 et seq., Aqua filed the above-captioned Petition with the Board, which was later assigned Docket No. WR15050631, for approval of a comprehensive reconciliation of purchased wastewater treatment adjustment clause ("PSTAC") costs and revenues for calendar years 2007 to 2013, to recover the actual under-recovery experienced in 2014, and to set prospective rates for calendar year 2016 (as required by N.J.A.C. 14:9-7.7) totaling \$212,259, an increase of \$74,809. Aqua will true-up 2015 PSTAC revenues and rates in its 2016 PSTAC filing, and commits that it will make this filing no later than June 30, 2016.

3. A public comment hearing was conducted on the evening of September 29, 2015 in the service territory. Four members of the public attended the hearing, but indicated they were not customers of the Company and did not wish to make a statement regarding the Company's request.

4. Petitioner's rates reflect the recovery of wastewater treatment charges imposed by the Sussex County Municipal Utilities Authority ("SCUMA"). The current PSTAC tariff was last examined and approved by the Board in an Order in Docket No. WR07040245, dated October 8, 2009, which examined PSTAC revenues and expenses applicable to the period ending December 31, 2006. In that Order, the Board also directed Wallkill to file PSTAC true-up

schedules for 2007 and 2008 within sixty days. At the time of the Board's Order in 2009, the Wallkill Sewer Company was independently owned and operated by Edgewater Associates. Wallkill did not make the true-up filings required by the Board, and was eventually acquired by Aqua in late 2010. Due to the unique facts of this case and the adverse impact of increased litigation filing costs upon ratepayers, Aqua seeks a limited waiver, pursuant to N.J.A.C. 14:1-1.2(b), of the requirements to file annual PSTAC true-ups and annual petitions for adjustment pursuant to N.J.A.C. 14:9-7.3(e), from 2010 to 2013.

5. In this proceeding, the Parties have examined Wallkill's actual revenues and actual SCUMA expenses for the calendar years 2007 through 2013. During that period, Wallkill's wastewater treatment expenses exceeded revenues by \$52,150, resulting in an under-recovery of that amount. Aqua agrees that it will not seek to recover this amount from customers.

6. In this proceeding, the Parties have also examined the Company's actual revenues and actual SCUMA expenses for calendar year 2014, and the Company's projected OCUA expenses for 2016, as well as the costs of this proceeding. Based on the foregoing, the Parties have determined that the current PSTAC rate should be increased to recover \$66,123 in additional revenues. The \$66,123 PSTAC increase was calculated based on the following components:

- a. an under-recovery of actual wastewater treatment charges of approximately \$30,951 for the calendar year ending December 31, 2014 (See Exhibit A, attached hereto, pages 1 to 3);
- b. projected SCUMA charges for 2016 of \$167,308 based on SCUMA rates effective for 2016 (See Exhibit A, page 5); and

- c. the total costs of this proceeding are deemed to be \$14,848 (See Exhibit A, page 4). These costs will be shared 50/50 between ratepayers and shareholders, resulting in a cost to customers of \$7,424 (See Exhibit A, page 7); and
- d. the pro forma PSTAC revenues at present rates are projected to be \$139,559 (See Exhibit A, page 6).

7. As required in N.J.A.C. 14:9-7.7, the Company has included in its filing an estimate of SCUMA costs for calendar year 2016, which estimate has been used to determine the applicable PSTAC rate for 2016.

8. Based on the estimated costs for 2016, the under-recovery for 2014, and the costs of this proceeding, the Parties have agreed that Petitioner's current PSTAC rates on file with the Board should be revised pursuant to the rates indicated on Exhibit A. For the average residential customer, the PSTAC rate will increase from \$5.48 per thousand gallons to \$8.08 per thousand gallons, an increase of \$2.60 per thousand gallons or approximately 47.4%. With respect to the total monthly rate for wastewater services, the total monthly rate for the average residential customer using approximately 3,900 gallons per month will increase from \$34.86 to \$44.97, an increase of \$10.11 or approximately 29% monthly.

9. Consistent with the provisions of N.J.A.C. 14:9-7.1 et seq., the Parties agree that the Company will file with the Board a PSTAC petition to reconcile calendar year 2015 actual SCUMA costs with the estimated SCUMA costs (as reflected in the rates identified on Exhibit A) for the same period. Additionally, the Company will include in its filing an estimate of SCUMA costs for calendar year 2017, which estimate will be used to determine the applicable PSTAC rate for 2017, as required in N.J.A.C. 14:9-7.7.

10. The Parties have engaged in full discovery. The Parties agree that the within Stipulation reflects a mutual balancing of various issues and positions, and that it is being entered into in the spirit of compromise and to avoid protracted and costly litigation.

11. This Stipulation is the product of negotiations by the 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 Parties to this Stipulation that this settlement, once accepted and approved by the Board, shall govern all issues specified and agreed to herein. The 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 Parties have stipulated herein.

12. The Parties agree that each term within this Stipulation reflects a 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 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 Party hereto materially affected thereby shall not be bound to proceed under this Stipulation.

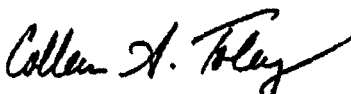
13. The Parties further agree that with respect to any policy or other issues which were compromised in the spirit of reaching an agreement, none of the Parties shall be prohibited from, or prejudiced in, arguing a different policy or position before the Board in any other proceeding, as such agreements pertain only to this matter and to no other matter. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided

herein, the Parties shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposedly underlying any agreement provided herein in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

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

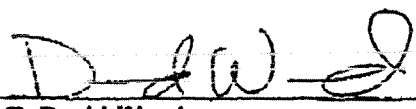
WALLKILL SEWER DIVISION OF  
AQUA NEW JERSEY, INC.

October 27, 2015  
Date

By:   
Saul Ewing LLP  
Colleen A. Foley, Esq.  
Attorney for Petitioner


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

10/28/15  
Date

By:   
T. David Wand  
Deputy Attorney General

STEFANIE A. BRAND, ESQ.  
DIRECTOR - RATE COUNSEL

11/2/15  
Date

By:   
Susan McClure, Esq.  
Assistant Deputy Rate Counsel

## Exhibit A

Aqua New Jersey, Inc.  
W808 PSTAC Reconciliation/True-Up  
For Calendar year ending December 31, 2014

A.) 2014 Treatment Expenses Paid to SCUA:

<u>Quarter</u>	<u>Amount</u>
Q1	\$44,145
Q2	\$44,145
Q3	\$44,145
Q4	\$44,145
Credit	(\$8,178)
<hr/>	
Total 2014 Actual Treatment Expense	\$168,400



Aqua New Jersey, Inc.  
 Walkall PSTAC Reconciliation/True-Up  
 For Calendar year ending December 31, 2014

BJ 2014 Revenues Billed to Walkall Customers:

Class	Customers	Meter Size	Gallons	Amount	Rate per 1,000 Gals.	% of Revenue
Residential - Single Family	359		18,520	\$90,530	\$5.48	65.86%
Commercial, Industrial, School, Business, & Religious	40		8,562	\$46,920	\$5.48	34.14%
<b>Subtotal:</b>	<b>399</b>		<b>25,082</b>	<b>\$137,449</b>		<b>100.00%</b>

Aqua New Jersey, Inc.  
Walkill PSTAC Reconciliation/True-Up  
For Calendar year ending December 31, 2014

C.) 2014 Reconciliation - Over/(Under) Recovery

Revenues Walkill PSTAC	\$137,449
Expenses SCU's	\$168,400
Over/(Under) Recovery	<u>(\$30,951)</u>

Acqua New Jersey, Inc.  
Walkill PSTAC Reconciliation/True-Up  
For Calendar year ending December 31, 2014

DJ Cost of Filing Application:

Legal  
Notification & Other  
Case Preparation & Discovery  
Transcripts  
Total

Amount
\$13,750
\$598
\$0
\$500
<u>\$14,848</u>

**Acqua New Jersey, Inc.  
 Working PSTAC Reconciliations/True-Up  
 For Calendar year ending December 31, 2014**

**E.) Prospective 2016 Rate Assessment:**

- 1.) Projected 2016 Sewage Volume (KGallons)
- 2.) 2016 Volumetric Rate
- 3.) Projected Calendar Year 2016 Revenue
- 4.) Projected 2016 SCUA Billings
- 5.) Prospective Adj. for Rates Effective 1/1/2016

Calculation	25,467
	\$5.48
	\$139,559
	\$167,908
	<u>\$27,749</u>

\$ Yr. Avg. Annual Gallons	25,082
2012	25,227
2013	25,082
2014	25,467
Average	<u>25,467</u>

Agua New Jersey, Inc.  
 Waiving PSTAC Reconciliation/True-Up  
 For Calendar year ending December 31, 2014

EJ PSTAC Revenue at Present Rates (2014):

Class	Customers	KGallois	2015 Current Rate	PSTAC Revenue at Present Rates	% of Revenue
Residential - Single Family	359	18,774	\$5.48	\$91,919.20	85.86%
Commercial, Industrial, School, Business, & Religious	40	8,683	\$5.48	\$47,638.56	34.14%
<b>Total</b>				<u>\$139,557.76</u>	

Total PSTAC Revenue at Present Rates ⇨

**Aqua New Jersey, Inc.**  
**Water PSTAC Reconciliation/True-Up**  
**For Calendar year ending December 31, 2014**

**SI PSTAC Calculations:**

- 1.) Projected 2016 Calendar Year Billing by SCUA
- 2.) Under Recovery 2014
- 3.) Cost of Filing Application (\$14,848 x 50%)
- 4.) 2016 PSTAC Revenue Requirement
- 5.) PSTAC Revenue at Present (2015 Rates)
- 6.) Subtotal PSTAC Request

Amount
\$187,308
\$30,951
\$7,424
\$205,683
\$139,559
<u>\$66,123</u>

**Acqua New Jersey, Inc.**  
**Initial PSTAC Reconciliation/True-Up**  
**For Calendar year ending December 31, 2014**

**H.J. Rate Design:**

Class	Customers	Kilowatts	2015 Current Rate	% of Revenue	Assessment	2014 Rate	% Change
Residential - Single Family	359	16,774	\$5.48	65.86%	\$43,651.55	\$6.08	47.360%
Commercial, Industrial, School, Business, & Religious	40	8,893	\$5.46	34.14%	\$22,571.83	\$6.08	47.360%
<b>Total:</b>					<u>\$66,223</u>		

**Acqua Near Jersey, Inc.**  
**WebCall PSTAC Reconciliation/True-Up**  
**For Calendar year ending December 31, 2014**

**Proof of Revenue:**

<b>Class</b>	<b>Customers</b>	<b>KGCallouts</b>	<b>New Rate</b>	<b>Prospective 2015 Revenue</b>
Residential - Single Family	369	16,774	\$8.08	\$135,470.74
Commercial, Industrial, School, Business, & Religious Total:	40	8,668	\$8.08	\$70,211.80
				<u>\$205,683</u>



**PRIOR YEARS RECONCILIATION**

	(a.)	(b.)	(c.)	(d.)	(e.)	(f.)	(g.)	(h.)
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>PSTAC Revenues Billed to Walkill</b>	\$ 134,885	\$ 160,613	\$ 191,981	\$ 127,567	\$ 131,066	\$ 142,985	\$ 136,244	\$ 137,449
<b>Sussex County Municipal Utilities Authority Expenses</b>	\$ 124,444	\$ 120,787	\$ 132,384	\$ 167,097	\$ 180,267	\$ 181,079	\$ 173,432	\$ 168,400
<b>Total Over/(Under) Recovery</b>	\$ 10,441	\$ 39,826	\$ 59,597	\$ (39,530)	\$ (49,201)	\$ (38,094)	\$ (35,188)	\$ (30,951)
<b>Total Over/(Under) Recover 2007 - 2014 = Sum (a. thru h.)</b>	<u>\$ (83,101)</u>							



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Colleen A. Foley  
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September 3, 2015

Jane Bakalarczyk, Township Clerk  
Hardyston Municipal Building  
149 Wheatsworth Road, Suite A  
Hardyston, NJ 07419

Stephen R. Gruchacz  
Sussex County Administrator  
County Administrative Center  
One Spring Street, 1st Floor  
Newton, NJ 07860

Catherine M. Williams, Clerk  
Sussex County Board of Chosen Freeholders  
Administrative Center  
One Spring Street, 1st Floor  
Newton, NJ 07860

Re: In the Matter of the Petition of Aqua New Jersey, Inc., Wallkill Sewer Division,  
for Approval of a Reconciliation of Purchased Wastewater Treatment Adjustment  
Clause Costs and Revenues and Other Required Approvals  
BPU Docket No. WR15050631  
OAL Docket No. PUC 09355-2015N

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Dear Ms. Bakalarczyk, Ms. Williams and Mr. Gruchacz:

On behalf of Petitioner, Aqua New Jersey, Inc., please be advised that a public hearing in the above-captioned matter has been scheduled for Tuesday, September 29, 2015 at 5:30 p.m. at the following location:

Grand Cascades Lodge  
Crystal Springs Clubhouse  
Silver Spring Room  
Three Wild Turkey Way  
Hardyston, NJ 07419

A copy of the public notice, which will be published in the *New Jersey Herald* on Friday, September 4, 2015, is attached. Should you have any questions about this scheduled hearing, please do not hesitate to contact me.

Very truly yours,

Colleen A. Foley

Enclosure

**NOTICE OF PUBLIC HEARING  
AQUA NEW JERSEY, INC., WALLKILL SEWER DIVISION,  
NOTICE OF FILING OF PETITION FOR APPROVAL  
OF A RECONCILIATION OF PURCHASED WASTEWATER TREATMENT  
ADJUSTMENT CLAUSE COSTS AND REVENUES  
AND OTHER REQUIRED APPROVALS  
BPU Docket No. WR15050631  
OAL Docket No. PUC09355-2015N**

**PLEASE TAKE NOTICE** that on or about May 22, 2015, Aqua New Jersey, Inc., Wallkill Sewer Division, formerly the Wallkill Sewer Company (the "Company"), filed a petition with the New Jersey Board of Public Utilities (the "Board") for approval to increase the current level of its Purchased Wastewater Treatment Adjustment Clause ("PSTAC"). Specifically, the Company is seeking a comprehensive reconciliation of purchased wastewater treatment costs and revenues for the calendar years 2007 to 2014, authorization to adjust the level of its PSTAC based on a net under-recovery of wastewater treatment costs for 2014, as well as to set prospective rates for 2016 to recover additional estimated wastewater treatment costs. Consequently, the Company is proposing to increase its PSTAC charge from \$5.48 per thousand gallons to \$8.46 per thousand gallons, an increase of approximately \$2.98 per thousand gallons or approximately 54% per thousand gallons. The PSTAC charge provides no profit to the Company and is a pass-through of actual charges from the Sussex County Municipal Utilities Authority.

**WASTEWATER BILLS ARE RENDERED BASED ON THE AMOUNT OF WATER USED, AND INCLUDE A FIXED CHARGE OF \$13.52 PER MONTH AND A VOLUMETRIC PSTAC CHARGE. THE COMPANY IS NOT PROPOSING TO CHANGE THE FIXED CHARGE, BUT IS PROPOSING TO INCREASE THE PSTAC CHARGE TO REFLECT THE ACTUAL COSTS BEING INCURRED BY THE COMPANY. IF APPROVED, AN AVERAGE RESIDENTIAL CUSTOMER USING 4,000 GALLONS OF WATER PER MONTH WILL SEE HIS/HER TOTAL MONTHLY BILL FOR WASTEWATER SERVICE INCREASE FROM APPROXIMATELY \$35.44 TO \$47.36, AN INCREASE OF \$11.92 PER MONTH, OR APPROXIMATELY 34%.**

**PLEASE TAKE FURTHER NOTICE** that a public hearing on the Company's Petition has been scheduled for September 29, 2015 starting at 5:30 pm at the Crystal Springs Clubhouse at the Grand Cascades Lodge, Silver Spring Room, Three Wild Turkey Way, Hardyston, NJ 07419. An Administrative Law Judge will preside over the public hearing. Members of the public are invited to attend and express their views on the proposed PSTAC rate change. Such comments will be made a part of the final record in the proceeding. Whether or not you attend the public hearing, you may submit written comments to the attention of the Hon. Irene Kim Asbury, Secretary of the Board of Public Utilities, 44 South Clinton Avenue, 9<sup>th</sup> Floor, P.O. Box 350, Trenton, New Jersey 08625-0350. Please include Docket Number **WR15050631** in your comment letter.

The tariff for the proposed PSTAC is part of the Petition filed with the Board, which was served upon the Director of the Division of Rate Counsel. Further information and copies of the Petition may be obtained at the Board's Offices located at 44 South Clinton Avenue, 9<sup>th</sup> Floor, P.O. Box 350, Trenton, New Jersey 08625-0350, at the Company's offices located at 10 Black Forest Road, Hamilton, New Jersey 08691, and on the Company's website at [www.aquaamerica.com](http://www.aquaamerica.com).

In order to encourage full participation in this opportunity for public comment, please submit any requests for special accommodations, including interpreters or mobility assistance, at least 48 hours prior to this hearing by contacting the undersigned at 609-587-4080.

**AQUA NEW JERSEY, INC.**  
Nicholas V. Asselta  
President and CEO