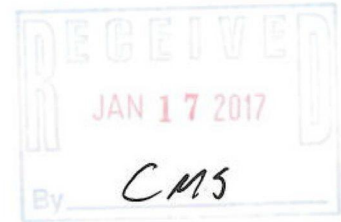


BOARD OF PUBLIC UTILITIES

JAN 17 2017

MAIL RECEIVED



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL Dkt. NO. PUC 7416-16

AGENCY DKT. NO. WR 16050390

**IN THE MATTER OF THE PETITION OF
MOUNY OLIVE VILLAGES WATER COMPANY, INC.
FOR APPROVAL OF AN INCREASE IN RATES FOR SERVICE**

Judith A. Fairweather, Esq., for petitioner Mount Olive Bridges Water Company, Inc. (Pinilis Halpern, attorneys)

Susan E. McClure, Assistant Deputy Public Advocate, for intervener the Division of Rate Counsel (Stephanie A. Brand, Rate Counsel, attorney)

Christopher M. Psihoules and Emma Xiao, Deputy Attorneys Generals, for the Staff of the Board of Public Utilities (Christopher M. Perrino, Attorney General of New Jersey, attorney)

Record Closed: January 5, 2017

Decided: January 12, 2017

BEFORE: DIANA C. SUKOVICH, ALJ t/a:

CMS
V. Haynes
D. LeThoms
M. Moran
M. Kammer
M. Mossa
J. Gotsman
J. Kane
B. Asee
C. Vachier

PROCEDURAL HISTORY

On May 4, 2016, Mount Olive Villages Water Company, Inc. (petitioner) filed a petition with the Board of Public Utilities (BPU) to increase rates for water service. The BPU transmitted the matter to the Office of Administrative Law for determination as a contested case pursuant to N.J.S.A. 52:14F-1 to -13.

Telephone conferences were conducted throughout the proceedings. A public hearing was held on September 26, 2016, in Budd Lake, New Jersey. The Administrator of the Township of Mount Olive appeared and expressed concern that the entire rate increase would be implemented in one year. No other members of the public appeared.

The parties conducted discovery and conferred throughout the proceedings and reached a resolution of the matter. An executed Stipulation of Settlement (Stipulation), with attachments (A-C), was filed on January 5, 2017, on which date the record was closed. Attached herewith are copies of the Stipulation and the attachments thereto.

NATURE OF THE CASE

Petitioner originally sought an increase of \$158,650, 112.3%, over an adjusted annual level of revenues for a Test Year ending December 13, 2015. The Stipulation provides for a revenue increase of \$109,756, 70.96%, over current revenues, and is addressed in more detail hereinafter regarding Findings of Fact.

The pending question, generally, is whether the Stipulation should be approved. I am persuaded that it should be.

FINDINGS OF FACT

The Stipulation provides that the agreed upon rate increase will be phased in over two years, which periods are referenced as "Phase 1" and "Phase 2". The Phase 1

increase, \$54, 749, will commence on the effective date of a BPU decision approving such. The Phase 2 increase, \$54,737, will be effective one year after the effective date of the Phase 1 increase. The parties also agree that petitioner will begin billing, after the effective date of a BPU order, applicable customers for Public and Private Fire Service per attached tariff sheets for Phase 1 (Attachment A, Rate Schedules Nos. 4 and 5) and Phase 2 (Attachment B, Rate Schedules Nos. 4 and 5). Attachment C to the Stipulation is a Proof of Revenues for Phases 1 and 2. Additionally, the Stipulation provides that petitioner may file for another rate increase after the effective date of Phase 2, but that any such increase may not be effective until one year after that date.

I have reviewed the record and the settlement terms, and I **FIND** that the parties have voluntarily agreed to the Stipulation, as evidenced by their signatures, and the Stipulation fully disposes of all issues in controversy and is consistent with the law.

CONCLUSIONS

I **CONCLUDE** that the Stipulation meets the requirements of N.J.A.C. 1:1-19.1 and it, and the attachments thereto, should be approved.

ORDERS

It is hereby **ORDERED** that the Stipulation, and the attachments thereto, be and are hereby **APPROVED**; effective the effective date of this Decision, and 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.

January 12, 2017
DATE

Diana C. Sukovich
DIANA C. SUKOVICH, ALJ t/a

Date Received at Agency:

Date Mailed to Parties:

rr

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION	:	BPU DOCKET NO. WR16050390
OF MOUNT OLIVE VILLAGES	:	OAL DOCKET NO. PUC 07416-2016N
WATER COMPANY, INC.	:	
FOR APPROVAL OF AN INCREASE IN	:	STIPULATION OF SETTLEMENT
RATES FOR SERVICE	:	

APPEARANCES:

Judith A. Fairweather, Esq., PinilisHalpern, LLP, on behalf of Mount Olive Villages Water Company, Inc., Petitioner

Christopher M. Psihoules, Deputy Attorney General, and Emma Xiao, Deputy Attorney General, (Christopher S. Porrino, Attorney General of New Jersey), on behalf of the Staff of the Board of Public Utilities

Susan E. McClure, Esq., Assistant Deputy Public Advocate, (Stefanie A. Brand, Rate Counsel), on behalf of the Division of Rate Counsel

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

This Stipulation of Settlement addresses the issues raised in the proceeding identified above. The Parties that have participated in these proceedings are as follows: Mount Olive Villages Water Company, Inc. ("Company" or "Petitioner"), the Division of Rate Counsel ("Rate Counsel"), and the Staff of the Board of Public Utilities ("Board Staff" or "Staff") (collectively, the "Parties"). There were no intervenors in the proceeding.

Rate Case Proceeding

As a result of an analysis of Petitioner's filed exhibits, extensive discovery conducted by Rate Counsel and Board Staff, conferences, negotiations, and a public hearing held on September

26, 2016, in the Mount Olive Municipal Complex, the Parties have come to an agreement on the issues in dispute in this matter. The Parties hereto agree and stipulate as follows:

On May 4, 2016, Mount Olive Villages Water Company, Inc., a public utility corporation of the State of New Jersey, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, filed a petition to increase rates for water service. Specifically, the Company requested a rate increase of \$158,650.00 or 112.3% above the adjusted annual level of revenues for the Test Year ending December 31, 2015. The Board transferred the matter to the Office of Administrative Law as a contested case where it was assigned to Administrative Law Judge Diana Sukovich.

Following appropriate notice in the newspaper of general circulation in the Company's service territory, a public hearing was held on September 26, 2016, at the Mount Olive Municipal Building, located at 204 Flanders-Drakestown Road, Budd Lake, NJ 07928, with Administrative Law Judge Gail Cookson presiding. The administrator of the Township of Mount Olive was the only member of the public to appear. Her concern was that the whole increase would occur in one (1) year. Subsequently, settlement discussions were held, and agreements reached during those discussions have resulted in the following stipulation by the Parties:

1. The Parties agree that utilizing an overall rate of return of 5.46% would result in an overall additional revenue requirement of \$109,756. This amount is calculated as follows:

Rate Base	\$ 59,250
Rate of Return	<u>x 5.46%</u>
Required Operating Income	\$ 3,235
Test Year Operating Income	<u>\$ (78,198)</u>
Deficiency	\$ 81,433
Revenue of Conversion Factor	<u>x1.3478</u>
Revenue Requirement	<u>\$ 109,756</u>

A return on equity ("ROE") capital rate of 9.75% is thus recommended.

2. The Parties stipulate that a revenue increase of \$109,756 or 70.96% over present revenues, is an appropriate result of this matter. The Parties agree that the rate increase will be phased-in equally over two (2) years, referred to as Phase 1 and Phase 2. Phase 1 of \$54,749 will begin on the effective date of a fully executed written Board Order. Phase 2 of \$54,737 will be effective one (1) year after the effective date of Phase 1. The Parties agree that this revenue requirement represents the level of revenue which is necessary to ensure that the Company will continue to provide safe, adequate and proper water service to its customers.

3. The Parties agree that the Company will commence billing (after the effective date of this Order) applicable customers for Public and Private Fire Service in accordance with the attached tariff sheets, Rate Schedule No. 4 and Rate Schedule No. 5 for Phase 1 and Phase 2.

4. The Parties recommend the adoption by the Board of the attached Tariff, as Exhibit A, BPU No. 2 - Water for Phase 1. The Parties further recommend Board adoption of the attached tariff, designated as Exhibit B, Tariff Sheet Nos, 6, 10 and 11 for Phase 2. Finally attached as Exhibit C is a Proof of Revenues for Phase 1 and Phase 2.

5. Petitioner may file for another rate increase after the effective date of Phase 2. However that rate increase may not be effective until one (1) year after the effective date of Phase 2.

6. Except as expressly provided herein, the Petitioner, Board Staff, or Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein and, in total or by specific item, is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation. Also, all rates are subject to audit by the Board.

7. (a) This Stipulation of Settlement ("Stipulation") is the product of extensive 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 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 Signatory Parties have stipulated herein.

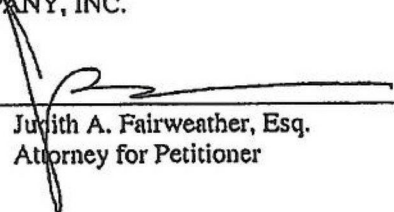
(b) The Parties agree that the within Stipulation reflects a mutual balancing of various issues and positions and is intended to be accepted and approved in its entirety. Each term is vital to this Stipulation as a whole, since the Parties hereto expressly and jointly state that they would not have signed 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 materially affected thereby shall not be bound to proceed under this Stipulation.

(c) The Parties further agree that the purpose of this Stipulation is to avoid protracted and costly litigation, and 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.

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

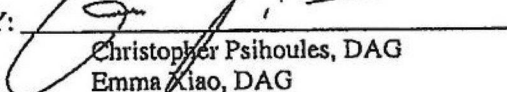
MOUNT OLIVE VILLAGES WATER
COMPANY, INC.

1-4-17
Date

BY: 
Judith A. Fairweather, Esq.
Attorney for Petitioner

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

1/4/17
Date

BY: 
Christopher Psihoules, DAG
Emma Xiao, DAG

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

1/5/17
Date

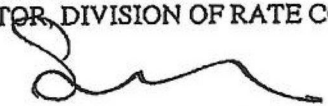
BY: 
Susan E. McClure, Esq.
Assistant Deputy Public Advocate

EXHIBIT A

BPU NO. 2 - WATER

MOUNT OLIVE VILLAGES WATER COMPANY, INC.

TARIFF

FOR WATER SERVICE

APPLICABLE IN

MOUNT OLIVE TOWNSHIP – MORRIS COUNTY

NEW JERSEY

Issued: _____

Effective: _____

By: Henryk Schwarz, President
200 Central Avenue
Mountainside, NJ 07092

Filed pursuant to Order of the Board of Public Utilities entered in Docket No. WR16050390

Dated _____, 2016

AN INTRODUCTION TO CUSTOMERS

The approved tariff located in the Company's office is available for your review. The Company is responsible to maintain its tariff with any changes approved by the Board of Public Utilities and must, by State law and regulations, maintain it in exactly the same format as the Company's tariff on file at the Board of Public Utilities, 44 South Clinton Ave., 3rd Floor, Suite 314, Trenton, NJ 08625.

If, after you review this tariff and discuss it with appropriate Company employees, you still have questions regarding clarification or interpretations, please contact the Board of Public Utilities, Division of Water and Wastewater, Bureau of Rates and Tariff Design, at (609) 341-9188 or the Board's Division of Customer Relations at 1-800-624-0241.

You have the right to review this tariff at the Company's offices or at the Board's office in Newark. Your inquiries will be handled by the Board's staff in an expeditious manner in order to protect your rights as well as those of the water and/or sewer Company. Please feel free to exercise this right by telephone or by visiting the Board's offices at any time between the hours of 9:00 a.m. to 5:00 p.m., Monday through Friday, or by writing a letter. The letter should contain the writer's name, address, and telephone number, including the area code. If the writer is a customer of record, the account number should be included.

The Company also has available in its office a leaflet entitled "An Overview of Common Customer Complaints and Customer Rights". This is a summary of the most frequent customer complaints and rights. It does not include all customer rights or utility obligations.

The Board of Public Utilities is responsible for the final interpretation and enforcement of a utility's tariff provisions and rates. The utility is bound by New Jersey Statutes and the Board's regulations. If a conflict should exist in the tariff that is detrimental to the customer, the Board's regulations supersede the tariff provision absent specific approval to the contrary by the NJ Board of Public Utilities. A utility company may provide for more liberal treatment than that provided for in the Board's regulations.

AN OVERVIEW OF COMMON CUSTOMER COMPLAINTS AND CUSTOMER RIGHTS

- (1) No public utility shall refuse to furnish or supply service to a qualified application. (Board Order CX86602155).
- (2) The utility shall not place the name of a second individual on the account of a residential customer unless specifically requested by the second individual (N.J.A.C. 14:3-3.2).

DEPOSITS

(3) If after notice of the methods of establishing credit and being afforded an opportunity, a customer has not established satisfactory credit, the utility may require a deposit. The amount of said deposit shall be reasonably related to the probable charge for service for the quarterly billing period.

(4) The utility must furnish a receipt to any customer posting a deposit. The deposit will be returned with simple interest at a rate established annually by the Board of Public Utilities. Once the customer has established satisfactory credit with the utility the deposit shall be returned to the customer with interest due. The customer has the option of receiving the deposit refund either by a check or a credit on the account. If a residential customer's deposit is not returned, the utility shall credit the customer's account with the accrued interest once every twelve months. (N.J.A.C. 14:3-7.5 relocated 14:3-3.4 and 3.5).

(5) Where a water or sewer utility furnishes unmetered service, for which payment is received in advance, it may not require a deposit. (N.J.A.C. 14:3-7.6 relocated 14:3-3.4(j)).

DEFERRED PAYMENT AGREEMENTS

(6) A residential metered customer is entitled to at least one deferred payment plan in one year. In the case of a residential customer who receives more than one utility service from the same utility (ex: water and sewer, gas and electric) and the amount which is in arrears is a combination of those services, the utility shall offer a separate deferred payment agreement for each service based on the outstanding balance for that service. (N.J.A.C. 14:3-7.13(d) recodified 14:3-7.7). The Company MUST renegotiate the deferred payment agreement should the customer's financial situation change significantly. The Company must also issue a new discontinuance notice each time it intends to shut off service, including defaults on the terms of the agreement. In the case of a residential customer who receives more than one utility service from the same utility and has subsequently entered into an agreement for each separate service, default on one such payment agreement shall constitute grounds for discontinuance of only that service. (N.J.A.C. 14:3-7.13(d) recodified 14:3-7.7).

(7) A water utility shall not discontinue service because of nonpayment of bills in cases where a charge is in dispute provided the disputed charges are paid and a request is made to the Board within five (5) days for investigation of the disputed charge. The Company must advise the customer of their right to appeal to the Board of Public Utilities. (N.J.A.C. 14:3-7. 13(a) recodified 14:3-7.7).

(8) A customer has fifteen (15) days to pay a bill. A water utility may not discontinue water and sewer service unless written notice giving the customer at least ten (10) days' notice prior to the proposed discontinuance. The notice shall not be given until after the expiration of the said fifteen (15) days time to pay a bill. (N.J.A.C. 14:3-7.12(a) relocated 14:3-3A.5). The notice shall contain sufficient information for the customer to notify the Board of Public Utilities of the nature of the dispute. The utility shall make a good faith effort to determine which of its residential customers are over 65 years of age, and shall make good faith efforts to notify such

customers of discontinuance of service by telephone in addition to notice by regular mail. This effort may consist of an appropriate inquiry set forth on the notice informing customers that they may designate a third party to receive notice of discontinuance. Utilities shall annually notify all residential customers that, upon request, notice of discontinuance of service will be sent to a designated third party as well as to the customer of record. (N.J.A.C. 14:3-7.12 relocated 14:3-3A.5).

(9) Public utilities shall not discontinue residential service except between the hours of 8:00 a.m. and 4:00 p.m., Monday through Thursday, unless there is a safely related emergency. There shall be no involuntary termination of service on Fridays, Saturdays, and Sundays, or on the day before a holiday or on a holiday absent such emergency.

(10) The occupant of a multiple family dwelling has the right to be notified of a pending service discontinuance at least fifteen (15) days prior to the service being discontinued.

(11) A customer has the right to have any complaint against the utility handled promptly by that utility. Board Order, (Docket Number C08602155).

(12) Each utility shall, upon request, furnish its customers with such information as is reasonable in order that the customers may obtain safe, adequate, and proper service (N.J.A.C. 14:3-3.3(a)). Each utility shall inform its customers, where peculiar or unusual circumstances prevail, as to the conditions under which sufficient and satisfactory service may be secured from its system. (N.J.A.C. 14:3-3.3(b)). Each utility shall supply its customers with information on the furnishing and performance of service in a manner that tends to conserve energy resources and preserve the quality of the environment (N.J.A.C. 14:3-3.3(d)).

METERS

(13) The utility must provide for one free meter test within a year if the customer so requests it. The customer can request that the Company or the Board may test the meter. A meter of a customer who has a complaint filed with the Board reflecting on the accuracy of the meter shall not be removed from service by the utility during the pendency of said complaint or during the following thirty (30) days unless otherwise authorized or directed by the Board. (N.J.A.C. 14:3-4. 10(b) recodified 14.3-4.8) When a billing dispute is known to exist, the water utility shall, prior to removing the meter, advise the customer that they may have the meter tested by the utility or may have the Board either conduct a test of the meter or witness a testing of the meter by the utility, and that in any event the customer may have the test witnessed by a third party. (N.J.A.C. 14:3-4.5(c)). A meter test arising from a billing dispute may be appropriate in instances which include, but not limited to, unexplained increased consumption, crossed meters, consumption while an account is vacant, or any other instance where the meter's accuracy might be an issue in a bill dispute. (N.J.A.C. 14:3-4.5(d)).

(14) Whenever a water meter is found to be registering fast by more than one and one-half percent, an adjustment of charges shall be made in accordance with the following: (1) If the date when the meter had first become inaccurate can be ascertained, then the adjustment shall be such percentage as the meter is found to be in error at the time of test adjusted to 100 percent on the

amount of the bills covering the entire period that the meter has registered inaccurately. (2) In all other cases, the adjustment shall be such percentage as the meter is found to be in error at the time of the test on one-half of the total amount of the billing affected by the fast meter adjusted to 100 percent since the previous test. No adjustment shall be made for a period greater than the time during which the customer had received service through that meter. No adjustment shall be made for a meter that is found to be registering less than 100 percent except in the case of meter tampering, non-registering meters, or in circumstances in which the customer should reasonably have known that his bill did not reflect his usage. (N.J.A.C. 14:3-4.7 recodified 14.3-4.6).

(15) A utility must maintain records of customers' accounts for such billing period occurring within a six (6) year period. Such records shall contain all information necessary to permit computation of the bill. (N.J.A.C. 14:3-7.8 relocated 14:3-6.1(b)).

(16) Bills rendered must contain the following information (a) The meter readings at the beginning and end of the billing period; (b) the dates on which the meter is read; (c) the number and kind of units measured; (d) identification of applicable rate schedule or a statement that the applicable rate schedule will be furnished on request; (e) the amount of the bill; (f) a distinct marking to indicate an estimated, average or a remote meter index; (g) the gross receipts and franchise tax statement. (N.J.A.C. 14:3-7.9 recodified 14:3-7.2).

MOUNT OLIVE VILLAGES WATER COMPANY, INC
BPU NO. 2 - WATER

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TERRITORY SERVED..... SHEET No. 1

STANDARD TERMS AND CONDITIONS SHEET No. 2

RATE SCHEDULE NO. 1 SHEET No. 6

RATE SCHEDULE NO. 2 SHEET NO. 8

RATE SCHEDULE NO. 3 SHEET NO. 9

RATE SCHEDULE NO. 4 SHEET No. 10

RATE SCHEDULE NO. 5 SHEET No. 11

Issued: _____

Effective: _____

By: Henryk Schwarz, President
200 Central Avenue
Mountainside, NJ 07092

Filed pursuant to Order of the Board of Public Utilities entered in Docket No. WR16050390

Dated _____, 2016

TERRITORY SERVED

In the area of Mount Olive Township known as the franchise area, County of Morris, State of New Jersey.

Issued: _____

Effective: _____

By: Henryk Schwarz, President
200 Central Avenue
Mountainside, NJ 07092

Filed pursuant to Order of the Board of Public Utilities entered in Docket No. WR16050390

Dated _____, 2016

STANDARD TERMS AND CONDITIONS

RULES AND REGULATIONS APPLICABLE TO WATER SERVICE.

1. GENERAL RULES

Mount Olive Villages Water Company Inc. hereby adopts the regulations for Water Utilities promulgated by the Board of Regulatory Commissioners of the State of New Jersey, which regulations are incorporated herein by reference thereto.

2. CROSS-CONNECTIONS AND INTERCONNECTIONS

No cross-connections or interconnections connecting the pipelines or facilities of the Company with other pipelines or facilities supplied with water from other sources shall be permitted without the express consent of the Company.

3. SERVICE CONNECTIONS

3.1 Service connections from the street main to the curb line, including the curb stop and box, shall be made by the Company at its own cost and shall be under its sole control.

4. RECONNECTIONS OF SERVICE.

Whenever the company reconnects service to a customer under the following conditions, a charge will be made for providing this service:

4.1 Physical reconnections of service after disconnections for non-payment of a valid bill or illegal reconnections of service.

Disconnections of service for these purposes is defined as the actual shutting off of the flow of water, by operating a valve or curb stop and removal of the meter.

Physical reconnection of service after disconnections to seasonal accounts including lawn irrigation accounts shall incur a \$25.00 charge during normal business hours. However, when the Company has determined that a customer's service has been (1) illegally reconnected after service has been terminated for non-payment of bills or (2) violation of the Company's rules and regulations or (3) when a customer's service has been illegally reconnected after service has been terminated at the customer's request or (4) when the customer's service has been illegally reconnected after service has been temporarily disconnected the Company will terminate the customer's service for a second time and give written notice to the customer that if service is illegally reconnected again, it will be

Issued: _____

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200 Central Avenue
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Dated _____, 2016

necessary for the Company to excavate and physically disconnect service and that a reconnection charge of \$500.00, or the actual cost incurred by the Company to excavate and physically disconnect the service, remove the meter, and reinstall the meter when payment has been made, will be paid by the customer. In addition, the Company may collect customer deposits as a condition of reconnection to the extent that such deposits are permitted by applicable administrative regulations.

4.2 Physical reconnections of service after disconnection, other than repairs or inspections, at the request of the customer.

Disconnections of service for these purposes is defined as the actual shutting off of the flow of water, e.g., by operating a valve or curb stop and removal of the meter.

The charge for providing this service is as follows:

During normal working hours (7 a.m. – 3:30 p.m. Monday through
Friday (Excluding Holidays)..... \$25.00

5. METERS AND METER SETTING

5.1 All meters shall be furnished and installed at the Company's expense and remain the property of the Company.

5.2 All meters shall be set at convenient locations, accessible to the Company, and subject to its control. Meters shall, when possible and it is agreeable to the Customer and the Company, be installed within the building supplied, at a point approved by the Company, so as to control the entire supply; and a proper place and protection therefor shall be provided by the Customer. The Customer must bear the cost of all pipe changes on his premises made necessary to receive the Company's meter with couplings.

5.3 In any case where it is not convenient or agreeable to both the Customer and the Company to place the meter within the building, the meter will be placed outside the building in a suitable vault of concrete or brick, or meter box, provided with a suitable cover and locking device. The outside meter vault or meter box, shall be located inside the property line or near the curb stop at the option of the customer. It shall be a suitable and safe place for the installation according to the specifications of an approved meter pit setting.

5.4 The cover and locking device for such outside meter or vault or meter box shall conform to a property uniform standard established by the Company.

Issued: _____

Effective: _____

By: Henryk Schwarz, President
200 Central Avenue
Mountainside, NJ 07092

Filed pursuant to Order of the Board of Public Utilities entered in Docket No. WR16050390

Dated _____, 2016

5.5 Meters will be maintained by the Company as far as ordinary wear and tear is concerned, but the customer will be responsible to the Company for any injury or damage rising from his fault or neglect. The customer shall permit no one except an agent of the Company to remove, inspect or tamper with the meter or other property of the Company on his premises. All damages due to freezing, hot water or other external causes, shall be paid by the customer, and the Company will not be liable for any damage arising from conditions beyond its control.

6. METER TESTING

6.1 The quantity recorded by the meter shall be considered the amount of water passing through the meter, which amount shall be conclusive to both the customer and the Company, except when the meter has been found to be registering fast by 1 1/2 percent or has ceased to register. In such cases, the quantity may be determined by the average registration in the case of non-registering meters in a past or prospective corresponding period, at the option of the customer.

The Company will diligently attend to situations where meters are suspected of failing to register the full use of water.

6.2 When a billing dispute is known to exist, the Company shall, prior to removing the meter, advise the customer that the customer may have the water tested by the utility or may have the Board either conduct a test of the meter or witness a testing of the meter by the utility, and that in any event, the customer may have the test witnessed by a third party.

A meter test arising from a billing dispute may be appropriate in instances which include, but are not limited to, unexplained increased consumption, crossed meters, consumption while account is vacant, or any other instance where the meter's accuracy might be an issue in a bill dispute.

(a) Whenever a meter is registering fast by 1 1/2 percent or more, an adjustment of charges shall be made in accordance with the following:

1. If the date when the meter had first become inaccurate can be definitely ascertained, then the adjustment shall be such percentage as the meter is found to be in error at the time of test adjusted to 100 percent on the amount of the bills covering the entire period that the meter had registered inaccurately.

Issued: _____

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200 Central Avenue
Mountainside, NJ 07092

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2. In all other cases, the adjustment shall be such percentage as the meter is found to be in error at the time of test on one-half of the total amount of the billing affected by the fast meter adjusted to 100 percent since the previous test, but not to exceed a period of six years for electric and gas meters subject to testing by an approved scientific sampling technique.

(b) No adjustment shall be made for a period greater than the time during which the customer has received service through the meter.

(c) No adjustment shall be made for a meter that is found to be registering less than 100 percent except in the case of meter tampering, non-registering meters, or in circumstances in which the customer should reasonably have known that his bill did not reflect his usage.

7. CUSTOMER BILLS

7.1 Meters will be read quarterly and customers will be billed quarterly, at the Company's option, for all water consumed during the previous period, in accordance with the Company's filed rates, and such bills are due and payable in full within fifteen (15) days from the date rendered.

7.2 Each Consumer is subject to a customer charge, the amount of which is determined by the size of the meter as set forth in the Rate Schedule No. 1.

7.3 When water is turned on or off during a billing period, the customer charge will be pro-rated according to the number of days when service was available. The applicable reconnection charge will be billed and paid before service will be restored.

8. CUSTOMER DEPOSITS

8.1 The Company reserves the right to require a deposit. The amount of said deposit shall be reasonably related to the probable charge for service during a billing period, this period to include the average time required for collection after bills are rendered.

8.2 (a) Upon a customer closing an account the balance of any deposit remaining after the closing bill for service has been settled shall be returned promptly to the depositor with interest due.

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200 Central Avenue
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Dated _____, 2016

(b) The Company shall review a residential customer's account at least once every year and a non-residential customer's account at least once every two years and if such review indicates that the customer has established credit satisfactory to the utility, then the outstanding deposit shall be refunded to the customer. Each utility shall afford its customers the option of having the deposit refund applied to the customer's account in the form of a credit or of having the deposit refunded by separate check in a period not to exceed one billing cycle. Good credit is established when the bill is paid within 15 days of the mailing date for the prior year

(c) Simple interest at a rate equal to the average yields on new six month treasury bills for the 12-month period ending each September 30 shall be paid by the utility on all deposits held by it, provided the deposit has remained with the utility for at least three months. Said rate, which shall be rounded up or down to the nearest half percent, shall become effective on January 1 of the following year. The Board shall perform the annual calculation to determine the applicable interest rate and shall notify the affected public utilities of said rate.

1. The interest based upon the average yields on new six month treasury bills shall be applied to all deposits received by the public utility on and after January 1, 1989.
2. Interest payments shall be made at least once during each 12 month period in which a deposit is held and shall take the form of credits on bills toward utility service rendered or to be rendered. The effect of this subsection shall be limited to those deposits, if any, held by the Company to secure residential accounts.

9. MISCELLANEOUS

9.1 Water shall not be turned on to any Consumer's premises, by any person not an agent of the Company.

9.2 The authorized agents of the Company shall have the right of access at all reasonable hours, to the premises supplied with water for the purposes of reading meters, examining pipes and fixtures, and necessary in the conduct of the Water Company business, and will carry with them proper credentials denoting their employment by the Company.

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9.3 The Company shall not be liable for any claim or damage arising from a shortage of water, the breaking of machinery or other facilities, or any other causes beyond its control.

9.4 As necessity may arise in case of a break, emergency, or other unavoidable causes, the Company shall have the right to temporarily cut off the water supply in order to make the necessary repairs, connections, etc., but the Company will use all reasonable and practicable measures to notify the customer in advance of such discontinuance of service. In no case will the Company be liable for any damage or inconvenience suffered by the Customer, nor in any case for any claim against it for interruption of service, lessening of supply, inadequate pressure, poor quality of water, or any other cause beyond its control. The Company may restrict or regulate the quantity of water used by Consumers in case of scarcity, or whenever the public welfare may require it.

9.5 No Consumer shall open or close any Company's stop cocks or valves in any public or private line.

9.6 No agent or employee of the Company shall have the right or authority to bind it by any promise, agreement or representation contrary to the letter of intent of these terms and conditions.

9.7 The Company reserves the right to change or amend from time to time these terms, conditions, and rates for the use of water, in accordance with the laws, and upon approval of the Board of Regulatory Commissioners.

10. EMERGENCY RESPONSES DUE TO EXTRAORDINARY DEMAND AND/OR DIMINISHED SUPPLY.

10.1 Discontinuance of service for failure to comply with use restrictions.

For compliance by the utility in good faith with any governmental order or directive, notwithstanding that such order or directive subsequently may be held to be invalid, the Company may, upon reasonable notice, as set forth in sections 10.1 and 10.3 herein, suspend, curtail or discontinue services pursuant to N.J.S.A. 48:2-23, N.J.S.A. 48:2-24 and N.J.A.C. 14:3-3.6 for any of the following acts or omissions on the part of the customer.

(a) Connecting or operating piping or other facility, including but not limited to, lawn sprinkling on the customer's premises in such a manner as to adversely affect the safety or adequacy of service provided to other customers present or prospective; or

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(b) Continuing waste of water by customer after notice from the utility through improper or imperfect pipes, fixtures, or failure to comply with restrictions; or

(c) Failure to comply with the standard terms and conditions contained in this tariff or failure to comply with any state law, or the rules, regulations, order or restrictions of any governmental authority.

10.2 Water service shall be restored when the conditions under which such service was discontinued, as specified above, are corrected and upon the payment of the reconnection fee of \$25.00.

10.3 The Company will endeavor to provide a regular and uninterrupted supply of water through its facilities. However, if because of emergencies beyond control of the Company, including governmental mandate, service is interrupted, irregular, defective, or fails, the Company will not be liable for damage or inconvenience resulting there from. In the event of any extraordinary demand and/or diminished supply, the Company may restrict the use of water whenever the public welfare may require it and if necessary may shut off the water in its mains and pipes. In such cases, the Company shall advise its customers by placing a prominent advertisement detailing the conditions and restrictions in a newspaper of general circulation in the utility service area. The notice will state the purpose and probable duration of the restriction or discontinuance. Failure to provide regular and uninterrupted service due to breakdowns is covered under other sections for this tariff.

10.4 The Company may restrict water service during certain periods, where the Company advises the Board of Regulatory Commissions, in order to protect the public water supply, or otherwise to comply with any regulations, orders or decrees issued by the Governor of New Jersey or the Department of Environmental Protection and Energy pursuant to the Water Supply Management Act. Such interruptions or restrictions shall be reported to the Department of Environmental Protection and Energy and the Board by each utility by the speediest means of communication available, followed by a detailed written report, pursuant to the provisions of N.J.A.C. 14:3-3.9(b) (relocated 14.3-3.7), within one week. Thereafter, the utility shall provide weekly reports for the duration of the emergency.

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10.5 When the supply of water to individual customer is to be shut off or curtailed for failure to comply with emergency water restrictions imposed because of extraordinary demand or diminished supply, the Company shall advise its customers by placing a door tag on the front door of the home of the individual(s) in violation of the restrictions, at least twenty-four (24) hours prior to discontinuance or curtailment, or by giving another form of notice acceptable to the Board. The Company will advise business and commercial customers, in writing, by mailing a notice to the customer's billing address. In the case of door tags, they shall be sequentially numbered and include the date, time, and nature of the violation and the procedure for restoration of service. All such notices shall be accounted for by the utility.

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MOUNT OLIVE VILLAGES WATER COMPANY, INC.
BPU NO. 2 - WATER

First Revised Sheet No. 6
Superseding Original Sheet No. 6

RATE SCHEDULE NO. 1

GENERAL METERED SERVICE

PHASE 1

APPLICABILITY: Applicable to the use of water supplied through meters in the entire territory served by the Company.

CHARACTER OF SERVICE: Continuous

RATE: FIXED SERVICE CHARGES:

The service charge shall be as follows, without deductions for temporary vacancy or unoccupancy. The service charge does not include the cost of any water consumed.

<u>SIZE OF METER</u>	<u>CHARGE PER QUARTER</u>	<u>SIZE OF METER</u>	<u>CHARGE PER QUARTER</u>
5/8"	\$ 15.82	2"	\$127.03
3/4"	\$ 23.73	3"	\$237.34
1"	\$ 39.54	4"	\$395.39
1 1/2"	\$ 79.58		

CONSUMPTION CHARGES

\$1.70 PER 1,000 GALLONS

TERMS OF PAYMENT: All general metered water service customers shall pay a fixed service charge based on the size of the meter installed by the Company. Whenever service is established or discontinued, the applicable fixed service charge shall be pro-rated to the date of establishment or discontinuance of service. In addition to the fixed service charge, a charge will be made for all water used, as registered by the meter. Bills are due and payable in full without discount within 15 days of the date the statement is rendered.

BILLING: All bills for service shall be rendered quarterly in arrears.

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The State of New Jersey enacted Ch. 443 of the Law of New Jersey 1983 concerning the period testing of public water supplies which established a water tax of \$0.01 per 1,000 gallons of water. This tax is reflected in the above rates.

RATE SCHEDULE NO. 2

METER TESTING SERVICES

Applicability

All metered customers.

Character of Service

Continuous.

Rate

\$25.00 per meter test requested by customer when requested more frequently than once in a twelve month basis.

Terms of Payment

Upon receipt of bill.

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Rate Schedule No. 3

Reconnection Service Charge

Applicability

All customers upon reconnection after either voluntary or involuntary disconnection. See Sheet No 2a, Standard Terms and Conditions, Item 4 of this tariff and New Jersey Administrative Code 14:3-3.6. However, this charge shall not apply if the disconnection was for the convenience of the utility or due to governmental order.

Character of Service

Continuous

Rate

\$25.00 per reconnection

Terms of Payment

Upon receipt of bill.

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MOUNT OLIVE VILLAGES WATER COMPANY, INC.
BPU NO. 2 - WATER

First Revised Sheet No. 10
Superseding Original Sheet No. 10

RATE SCHEDULE NO. 4

PUBLIC FIRE PROTECTION

PHASE 1

APPLICABLE TO USE FOR SERVICE FOR:

Hydrants located on public streets

CHARACTER OF SERVICE:

Continuous except as limited by the standard terms and conditions rate:

\$52.80 per Fire Hydrant per Quarter

TERMS OF PAYMENT:

All charges for service under this rate schedule no. 2 shall be payable quarterly in advance and are due and payable in full without discount within 15 days of the date rendered.

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RATE SCHEDULE NO. 5

PRIVATE FIRE PROTECTION
PHASE 1

Applicability:

Applicable to customers for private fire protection service.

Character of Service:

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

Rate:

Fire sprinkler connections:

<u>SIZE OF SERVICE</u>	<u>PER QUARTER</u>
4"	\$30.41
6"	\$52.80
Hydrants located on Private Property	\$52.80

Billing: Bills for private protection will be rendered quarterly, in advance.

Terms of Payment: Bills are due and payable in full without full discount within 15 days of the date rendered.

Special Provisions

No additional charge shall be made for water used in extinguishing fires or for underwriters' tests where service is furnished under this schedule.

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EXHIBIT B

RATE SCHEDULE NO. 1
GENERAL METERED SERVICE

PHASE 2

APPLICABILITY: Applicable to the use of water supplied through meters in the entire territory served by the Company.

CHARACTER OF SERVICE: Continuous

RATE: FIXED SERVICE CHARGES:

The service charge shall be as follows, without deductions for temporary vacancy or unoccupancy. The service charge does not include the cost of any water consumed.

<u>SIZE OF METER</u>	<u>CHARGE PER QUARTER</u>	<u>SIZE OF METER</u>	<u>CHARGE PER QUARTER</u>
5/8"	\$ 18.17	2"	\$146.37
3/4"	\$ 27.26	3"	\$272.57
1"	\$ 45.43	4"	\$454.28
1 1/2"	\$ 91.86		

CONSUMPTION CHARGES

\$2.18 PER 1,000 GALLONS

TERMS OF PAYMENT: All general metered water service customers shall pay a fixed service charge based on the size of the meter installed by the Company. Whenever service is established or discontinued, the applicable fixed service charge shall be pro-rated to the date of establishment or discontinuance of service. In addition to the fixed service charge, a charge will be made for all water used, as registered by the meter. Bills are due and payable in full without discount within 15 days of the date the statement is rendered.

BILLING: All bills for service shall be rendered quarterly in arrears.

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Dated _____, 2016

The State of New Jersey enacted Ch. 443 of the Law of New Jersey 1983 concerning the period testing of public water supplies which established a water tax of \$0.01 per 1,000 gallons of water. This tax is reflected in the above rates.

RATE SCHEDULE NO. 4

PUBLIC FIRE PROTECTION

PHASE 2

APPLICABLE TO USE FOR SERVICE FOR:

Hydrants located on public streets

CHARACTER OF SERVICE:

Continuous except as limited by the standard terms and conditions rate:

\$80.59 per Fire Hydrant per Quarter

TERMS OF PAYMENT:

All charges for service under this Rate Schedule No. 4 shall be payable quarterly in advance and are due and payable in full without discount within 15 days of the date rendered.

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RATE SCHEDULE NO. 5

PRIVATE FIRE PROTECTION

PHASE 2

Applicability:

Applicable to customers for private fire protection service.

Character of Service:

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

Rates:

Fire sprinkler connections:

<u>SIZE OF SERVICE</u>	<u>PER QUARTER</u>
4"	\$35.82
6"	\$80.59
Hydrants located on Private Property	\$80.59

Billing: Bills for private protection will be rendered quarterly, in advance.

Terms of Payment: Bills are due and payable in full without full discount within 15 days of the date rendered.

Special Provisions

No additional charge shall be made for water used in extinguishing fires or for underwriters' tests where service is furnished under this schedule.

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EXHIBIT C

Mount Olive Villages Water Company
Proof of Revenues - Phase 1 and Phase 2

Target Annual Revenues \$ 264,427

Residential Accounts

Meter Size (Inches)	Number	Current Rate (\$/Quarter)	Current Revenues (\$/Yr)	Quarterly Rate (\$/Quarter) PHASE 1	Annual Revenues (\$/Yr) PHASE 1	Increase (\$/Yr)	Increase (%)	Quarterly Rate (\$/Quarter) PHASE 2	Annual Revenues (\$/Yr) PHASE 2	Increase From Phase 1 Rates	Increase (%)
0.625	199	\$ 13.46	\$ 10,714.16	\$ 15.80	\$ 12,576.80	\$ 1,862.64	17.4%	\$ 18.13	\$ 14,431.48	\$ 1,854.68	14.7%

35%

Commercial Accounts

Meter Size (Inches)	Number	Current Rate (\$/Quarter)	Current Revenues (\$/Yr)	Quarterly Rate (\$/Quarter) PHASE 1	Annual Revenues (\$/Yr) PHASE 1	Increase (\$/Yr)	Increase (%)	Quarterly Rate (\$/Quarter) PHASE 2	Annual Revenues (\$/Yr) PHASE 2	Increase From Phase 1 Rates	Increase (%)
0.625	3	\$ 13.46	\$ 161.52	\$ 15.82	\$ 189.84	\$ 28.32	17.5%	\$ 18.17	\$ 218.04	\$ 28.20	14.9%
0.75	0	\$ -	\$ -	\$ 23.73	\$ -	\$ -	-	\$ 27.26	\$ -	\$ -	14.9%
1	1	\$ 33.65	\$ 134.60	\$ 39.54	\$ 158.16	\$ 23.56	17.5%	\$ 45.43	\$ 181.72	\$ 23.56	14.9%
1.5	47	\$ 67.30	\$ 12,652.40	\$ 79.58	\$ 14,961.04	\$ 2,308.64	18.2%	\$ 91.86	\$ 17,269.68	\$ 2,308.64	15.4%
2	50	\$ 107.68	\$ 11,536.00	\$ 127.03	\$ 25,406.00	\$ 3,870.00	18.0%	\$ 146.37	\$ 29,274.00	\$ 3,868.00	15.2%
3	0	\$ 201.90	\$ -	\$ 237.24	\$ -	\$ -	17.5%	\$ 272.57	\$ -	\$ -	14.9%
4	1	\$ 336.50	\$ 1,346.00	\$ 395.39	\$ 1,581.56	\$ 235.56	17.5%	\$ 454.28	\$ 1,817.12	\$ 235.56	14.9%
	301		\$ 35,830.52		\$ 42,296.60	\$ 6,466.08			\$ 48,760.56	\$ 6,463.98	

Consumption	Volume (ThGal/Yr)	Current Rate (\$/ThGal)	Current Revenues (\$/Yr)	Volumetric Rate (\$/ThGal) PHASE 1	Annual Revenues (\$/Yr) PHASE 1	Increase (\$/Yr)	Increase (%)	Volumetric Rate (\$/ThGal) PHASE 2	Annual Revenues (\$/Yr) PHASE 2	Increase From Phase 1 Rates	Increase (%)
Volume (ThGal)	84,341	\$ 1.22	\$ 102,896.02	\$ 1.70	\$ 143,379.70	\$ 40,483.68	39.3%	\$ 2.18	\$ 183,863.38	\$ 40,483.68	28.2%
TOTAL GMS REVENUES			\$ 149,440.70		\$ 198,259.10	\$ 48,812.40	32.7%		\$ 247,055.42	\$ 48,802.32	24.6%

FIRE PROTECTION

Target Annual Revenues \$ 17,729.80

Private Fire Services

Service Size (Inches)	Number	Current Rate (\$/Quarter)	Restrictive Diameters Squared	Relative Demand	Quarterly Rate (\$/Quarter) - Phase 1	Annual Revenues - Phase 1	Increase Annual Revenues (\$/Yr)	Increase (%)	Quarterly Rate (\$/Quarter) - Phase 2	Annual Revenues - Phase 2	Increase Annual Revenues (\$/Yr)	Increase (%)
4	2	\$ 25.00	16	32	\$ 30.41	\$ 243.28	\$ 43.28	21.6%	\$ 35.82	\$ 286.54	\$ 43.26	17.8%
6	2	\$ 25.00	36	72	\$ 52.80	\$ 422.40	\$ 222.40	111.2%	\$ 80.59	\$ 644.72	\$ 222.32	52.6%

Public Fire

Hydrants	Number	Current Rate (\$/Quarter)	Restrictive Diameters Squared	Relative Demand	Quarterly Rate (\$/Quarter) - Phase 1	Annual Revenues - Phase 1	Increase Annual Revenues (\$/Yr)	Increase (%)	Quarterly Rate (\$/Quarter)	Annual Revenues	Increase (\$/Yr)	Increase (%)
Hydrants	51	\$ 25.00	25	1,275	\$ 52.80	\$ 10,771.20	\$ 5,671.20	111.2%	\$ 80.59	\$ 16,440.36	\$ 5,669.16	52.6%
Total Fire			Present Revenues \$ 5,500	1,379		\$ 11,437	5,937	107.8%		\$ 17,371.62	\$ 5,934.74	51.9%

TOTAL - ALL CLASSES

Annual Revenues		\$ 134,940.70		\$ 209,689.98	\$ 54,749.28	35.3%		\$ 264,427.04	\$ 54,737.06	26.3%
Target Increase Variance								\$ 109,756.04	\$ 269.70	