

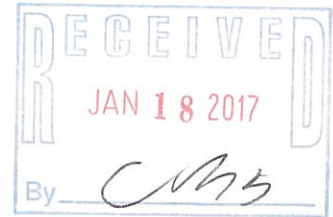


BOARD OF PUBLIC UTILITIES

JAN 18 2017

MAIL RECEIVED

Gary S. Prettyman
Senior Director - Regulatory Business
461 From Road, Suite 400
Paramus, NJ 07652
tel 201-784-7083
fax 201-750-5728
email Gary.Prettyman@suez-na.com



Via Federal Express

January 17, 2017

Irene Kim Asbury, Secretary of the Board
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

**RE: In The Matter of The Petition of SUEZ Water Toms River, Inc.
Distribution System Improvement Charge Calculation
Pursuant to N.J.A.C. 14:9-10.4
BPU Docket No. WR15091103**

Dear Secretary Asbury,

Enclosed for filing please find an original and ten (10) copies, plus one additional copy, of SUEZ Water Toms River, Inc.'s Distribution System Improvement Charge calculation for the July 1, 2016 through December 31, 2016 DSIC Recovery Period accompanied by Tariff Rate Schedule No. 7, Fifth Revised Sheet No. 13. Please stamp the additional copy "filed" and return in the self-addressed, stamped envelope provided.

We anticipate Rate Schedule No. 7 becoming effective for service rendered on and after March 1, 2017.

Please advise if you need additional information.

Very truly yours,


Gary S. Prettyman
Senior Director – Regulatory Business

cc: Service List

CM &
Legal
WAG
Water

SERVICE LIST

I/M/O SUEZ Toms River, Inc.
Distribution System Improvement Charge
BPU Docket No. WR15091103

BOARD OF PUBLIC UTILITIES

JAN 18 2017

Maria L. Moran, Director
Division of Water
Board of Public Utilities
44 So. Clinton Ave.
P.O. Box 350
Trenton, NJ 08625
maria.moran@bpu.state.nj.us

Michael Kammer
Division of Water
Board of Public Utilities
44 So. Clinton Ave.
P.O. Box 350
Trenton, NJ 08625
mike.kammer@bpu.state.nj.us

Mona Mosser
Bureau Chief
Division of Water
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625
Mona.Mosser@bpu.state.nj.us

Yanina Lepore
Bureau of Rates
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625
Yanina.lepore@bpu.state.nj.us

Alex Moreau, DAG
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101
alex.moreau@dol.lps.state.nj.us

Christopher Psihoules, DAG
Division of Law
Dept. of Law and Public Safety
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101
christopher.psihoules@dol.lps.state.nj.us

Stefanie A. Brand, Esq.
Director
Div. of Rate Counsel
140 East Front Street-4th Floor
P.O. Box 003
Trenton, NJ 08625
sbrand@rpa.state.nj.us

Debra F. Robinson, Esq.
Water & Wastewater
Managing Attorney
Div. of Rate Counsel
140 East Front Street-4th Floor
P.O. Box 003
Trenton, NJ 08625
drobinso@rpa.state.nj.us

Susan E. McClure, Esq.
Division of Rate Counsel
140 East Front Street-4th Floor
P.O. Box 003
Trenton, NJ 08625
smcclure@rpa.state.nj.us

Christine M. Juarez, Esq.
Division of Rate Counsel
140 East Front Street-4th Floor
P.O. Box 003
Trenton, NJ 08625
cjuarez@rpa.state.nj.us

Alaina Torres, Paralegal
Division of Rate Counsel
140 East Front Street-4th Floor
P.O. Box 003
Trenton, NJ 08625
Darlene Nichols
atorres@rpa.state.nj.us

Howard J. Woods, Jr., P.E.
Howard J. Woods, Jr. & Assoc.,
LLC
138 Liberty Avenue
Newton, PA 18940-1111
howard@howardwoods.com

James C. Cagle,
Vice President
Regulatory Business
SUEZ
461 From Road, Suite 400
Paramus, NJ 07652
Jim.Cagle@suez-na.com

Gary Prettyman
SUEZ
461 From Road, Suite 400
Paramus, NJ 07652
Gary.Prettyman@suez-na.com

James Mastrokalos
SUEZ Water Toms River
1451 Route 37 West
Toms River, NJ 08755-4968
James.mastrokalos@suez-na.com

Michael Willis
SUEZ Water Toms River
1451 Route 37 West
Toms River, NJ 08755-4968
Michael.willis@suez-na.com

Debra Visconti
SUEZ
461 From Road, Suite 400
Paramus, NJ 07652
Debra.Visconti@suez-na.com

MAIL RECEIVED

SUEZ Water Toms River Inc.
Proposed DSIC Calculation
July 1, 2016 to December 31, 2016

Page 1 of 11

| | <u>7/1/16 to 12/31/2016</u> |
|--|---------------------------------|
| Eligible Investment (page 2) | \$2,957,563 |
| Less: Accumulated Depreciation (page 2) | (11,756) |
| Accumulated Depreciation from prior surcharges (page 2A) | (19,176) |
| Less: Deferred Tax (page 2) | (6,237) |
| Accumulated deferred Tax from Prior Surcharges (page 2A) | <u>(10,174)</u> |
| Eligible Net Investment | \$2,910,220 |
| Pre-Tax Rate of Return (page 3) | <u>10.43%</u> |
| Pre-Tax Return on Investment | \$303,536 |
| Add: Depreciation Expense (page 2) | <u>47,025</u> |
| Revenue Recovery | \$350,561 |
| Revenue Factor (page 4) | <u>1.17213</u> |
| DSIC Revenue Requirement Recovery Amount | \$410,903 |
| Adjustment from July 2016 Surcharge | (\$6,110) |
| Plus DSIC Revenue Requirement from July Surcharge | \$338,041 |
| Amount undercollected (8/29/16 to 3/1/17 estimated) | <u>19,796</u> |
| Total DSIC Revenue Requirement Recovery Amount | <u><u>\$762,630</u></u> |
| Approved revenues from Docket No. WR15020269 effective 8/29/15. | <u><u>\$33,707,087</u></u> |
| Percent Surcharge | <u><u>2.26%</u></u> |

SUEZ Water Toms River Inc.
Proposed DSIC Calculation
July 1, 2016 to December 31, 2016

| | 7/1/16 to 12/31/2016 |
|---|-------------------------|
| Major Projects | \$ 2,218,273 |
| Emergent Pipe Failures & Municipal Main Replacement | 96,026 |
| Blanket Projects | 727,876 |
| Total DSIC Plant (page 7 & 8) | 3,042,175 |
| Less: Base Spend (\$925,424-840,812) | (84,612) |
| Eligible Investment | 2,957,563 |
| <u>Accumulated Depreciation</u> | |
| Composite Depreciation Rate (match base spend year) | 1.59% |
| Depreciation Expense | 47,025 |
| Half Year Convention | 11,756 |
| <u>Deferred Taxes</u> | |
| Eligible Investment | \$2,957,563 |
| MACRS Rate for First Year Water Plant | 4.00% |
| Tax Depreciation First Year | 29,576 |
| Book Depreciation | 11,756 |
| Tax Depreciation Greater Than Book | 17,820 |
| Deferred Taxes at 35% | \$6,237 |

SUEZ Water Toms River Inc.
Proposed DSIC Calculation
July 1, 2016 to December 31, 2016

| | Effective July 29, 2016 | | |
|---|-------------------------|-------------------------|------------------------|
| | 1/1/16 to 6/30/2016 | 7/1/16 to 12/31/2016 | Accumulated Reserve |
| | (a) | | |
| Major Projects | \$2,605,364 | | |
| Blanket Projects | 647,504 | | |
| Total DSIC Plant (page 7 & 8) | 3,252,868 | | |
| Less: Base Spend (page 5) | (840,812) | | |
| Base Spend (July surcharge) | | | |
| Eligible Investment | 2,412,056 | | |
| <u>Accumulated Depreciation</u> | | | |
| Composite Depreciation Rate (match base spend year) | 1.59% | | |
| Depreciation Expense | 38,352 | | |
| Half Year Convention | 9,588 | 9,588 | 19,176 |
| <u>Deferred Taxes</u> | | | |
| Eligible Investment | \$2,412,056 | | |
| MACRS Rate for First Year Water Plant | 4.00% | | |
| Tax Depreciation First Year | 24,121 | 24,121 | |
| Book Depreciation | 9,588 | 9,588 | |
| Tax Depreciation Greater Than Book | 14,533 | 14,533 | |
| Deferred Taxes at 35% | \$5,087 | \$5,087 | \$10,174 |

Notes: (a) This period reflects the second 6 months of the 12 month period and therefore still reflects half year convention

SUEZ Water Toms River Inc.
Proposed DSIC Calculation
July 1, 2016 to December 31, 2016

Approved Capital Structure and Cost Rates

| | <u>Capital Structure Ratio</u> | <u>Cost Rate</u> | <u>Weighted Cost of Capital</u> | <u>Pre-Tax Rate of Return</u> |
|----------------|------------------------------------|----------------------|-------------------------------------|-----------------------------------|
| Long Term Debt | 47.00% | 5.28% | 2.48% | 2.48% |
| Common Equity | 53.00% | 9.75% | 5.17% | 7.95% |
| Total | 100.00% | | 7.65% | 10.43% |

1) capital structure and ROE per current authorized return Docket WR15020269, effective 8/29/15

SUEZ Water Toms River Inc.
Proposed DSIC Calculation
July 1, 2016 to December 31, 2016

Page 4 of 11

Revenue Factor

| | |
|--|-----------------------|
| Dollar of Revenue | 1.00000 |
| Gross Receipts Tax for Municipal Use | 0.07500 |
| Franchise Tax for Municipal Use | 0.04651 |
| Gross Receipts Excise Tax for State Use | 0.00938 |
| Franchise Taxes Excise Tax for State Use | 0.00582 |
| Uncollectibles | 0.00746 |
| BPU Assessment | 0.00211 |
| Rate Payer Advocate | <u>0.00057</u> |
| Income Before Federal Taxes | <u>0.85315</u> |
| Revenue Factor | <u><u>1.17213</u></u> |

1) Per current authorized Docket WR15020269, effective 8/29/15

SUEZ Water Toms River Inc.
Proposed DSIC Calculation
July 1, 2016 to December 31, 2016

DSIC Base Spending Schedule

Page 5 of 11

| Line No. | Description | Account | Amount |
|----------|-------------------------------------|---------|-------------------------|
| 1 | Transmission and Distribution Mains | 343 | \$414,038 |
| 2 | Services | 345 | 441,392 |
| 3 | Hydrants | 348 | <u>69,994</u> |
| 4 | Total Annual Base Spending | | <u><u>\$925,424</u></u> |

Note 1. All Accounts and Amounts are extracted from Page 21 of the United Water Toms River 2014 Annual Report to the BPU, Page 21.

Note 2. Referenced Accounts are those included in the definition of "Base Spending" per 44 NJR 1723(a)

SUEZ Water Toms River Inc.
Proposed DSIC Calculation
July 1, 2016 to December 31, 2016

DSIC Assessment Schedule

Page 6 of 11

| | Total Number of Meters (3) | Meter Equivalent Ratios | Equivalent 5/8" inch Meters | DSIC Amount by equivalent Meter | Monthly Charge per Meter | Exempt Charge per Meter |
|----------------|-------------------------------|-------------------------------|-----------------------------------|---------------------------------------|-----------------------------|----------------------------|
| Metered Sales: | | | | | | |
| 5/8" | 40,106 | 1.00 | 40,106 | \$514,961 | \$1.07 | \$0.9237 |
| 3/4" | 6,290 | 1.50 | 9,435 | 123,787 | 1.64 | 1.4158 |
| 1" | 1,461 | 2.50 | 3,653 | 46,986 | 2.68 | 2.3136 |
| 1 1/2" | 259 | 5.00 | 1,295 | 16,628 | 5.35 | 4.6186 |
| 2" | 259 | 8.00 | 2,072 | 26,604 | 8.56 | 7.3898 |
| 3" | 59 | 15.00 | 885 | 11,363 | 16.05 | 13.8558 |
| 4" | 40 | 25.00 | 1,000 | 12,840 | 26.75 | 23.0930 |
| 6" | 8 | 50.00 | 400 | 5,136 | 53.50 | 46.1860 |
| 8" | 4 | 80.00 | 320 | 4,109 | 85.60 | 73.8976 |
| 10" | | 115.00 | | | 123.05 | 106.2278 |
| 12" | | 165.00 | | | 176.55 | 152.4138 |
| | <u>48,486</u> | | <u>59,166</u> | <u>\$762,414</u> [1] | | |
| | | | | <u>\$762,630</u> | | |
| | | | | 12.88967 [2] | | |
| | | | | 1.0741 | | |

[1] Approved revenues from Docket No. WR15020269 effective 8/29/15.

Five percent "DSIC Cap" per 44 NJR 1723(a)
Maximum amount of Annual DSIC Revenues

[2] Amount per equivalent meter (\$762,630 / 59,166)

[3] Active meters pro forma at December 31, 2015

\$33,707,087

X 5%

\$1,685,354

| Project Limits | Foundational Filing Project Number | Foundational Filing Project Extension | Project Number | DISC Category | Bid Date | DISC Approval | First Day of Construction | Estimated Cost | Actual Costs 7/1/16 to 12/31/16 | Engineering In-Service Date | Original Install Year | Actual Install Year | Comments |
|--------------------------|------------------------------------|---------------------------------------|----------------|------------------|-----------|---------------|---------------------------|----------------|---------------------------------|-----------------------------|-----------------------|---------------------|---|
| Hyers Street | C17D601 | 0.05 | C16D602 | Main Replacement | 4/27/2016 | 12/16/2015 | 6/9/2016 | \$ 320,000 | \$ 110,204.69 | 6/27/2016 | 2017 | 2016 | Additional costs included final restoration work |
| Vine Avenue | C16D601 | 0.10 | C16D602 | Main Replacement | 4/27/2016 | 12/16/2015 | 5/19/2016 | \$ 360,000 | \$ 85,230.52 | 6/13/2016 | 2016 | 2016 | Additional costs included final restoration work |
| Collfax Street | C19D601 | 0.06 | C16D602 | Main Replacement | 4/27/2016 | 12/16/2015 | 5/23/2016 | \$ 118,000 | \$ 10,298.35 | 6/19/2016 | 2019 | 2016 | Additional costs included final restoration work |
| Dunham Avenue | C19D601 | 0.08 | C16D602 | Main Replacement | 4/27/2016 | 12/16/2015 | 6/9/2016 | \$ 118,000 | \$ 40,638.40 | 6/23/2016 | 2019 | 2016 | Additional costs included final restoration work |
| Terrace Avenue | C19D601 | 0.11 | C16D602 | Main Replacement | 4/27/2016 | 12/16/2015 | 5/19/2016 | \$ 118,000 | \$ 30,493.78 | 6/13/2016 | 2019 | 2016 | Additional costs included final restoration work |
| Indian Head Road | C16D601 | 0.06 | C15D604 | Main Replacement | 11/9/2015 | 12/16/2015 | 12/7/2015 | \$ 660,000 | \$ 215,615.98 | 1/9/2016 | 2016 | 2015 | Additional costs included final restoration work |
| Route 9 Crossing | C16D601 | 0.07 | C15D604 | Main Replacement | 11/9/2015 | 12/16/2015 | 4/1/2016 | \$ 285,000 | \$ 81,028.03 | 5/30/2016 | 2016 | 2016 | Additional costs included final restoration work |
| Main Street and Route 37 | | | C16D701 | Main Replacement | 1/15/2016 | | 5/9/2016 | \$ 350,000 | \$ 112,662.72 | 6/15/2016 | N/A | 2016 | Additional costs included final restoration work |
| Holly Street | C16D601 | 0.08 | C16D604 | Main Replacement | 10/4/2016 | 12/16/2015 | 11/7/2016 | \$ 158,000 | \$ 257,470.07 | 11/30/2016 | 2016 | 2016 | Final project included roughly 1,350 LF of main replacement from Washington Street to Cranmoor. Existing main is a mix of 4" ACP and 2" galvanized. The original estimate was 700 LF. |
| Lookout Drive | C16D601 | 0.01 | C16D603 | Main Replacement | 4/12/2016 | 12/16/2015 | 10/26/2016 | \$ 360,000 | \$ 485,187.56 | 11/30/2016 | 2016 | 2016 | |
| Starboard Court | C16D601 | 0.02 | C16D603 | Main Replacement | 4/12/2016 | 12/16/2015 | 10/26/2016 | \$ 230,000 | \$ 237,779.41 | 12/15/2016 | 2016 | 2016 | |
| Compass Court | C16D601 | 0.03 | C16D603 | Main Replacement | 4/12/2016 | 12/16/2015 | 10/26/2016 | \$ 230,000 | \$ 234,953.48 | 12/15/2016 | 2016 | 2016 | |
| Ensign Court | C16D601 | 0.04 | C16D603 | Main Replacement | 4/12/2016 | 12/16/2015 | 10/26/2016 | \$ 230,000 | \$ 316,710.38 | 12/15/2016 | 2016 | 2016 | |

TOTAL SPEND \$ 2,218,273.37

SUEZ Water Toms River Inc.
7/1/16 to 12/31/2016

| Emergent Pipe Failures and Unscheduled Municipal Main Replacements | | | | | | | | | | |
|--|--|------------|-----------------|-------------------|-----------------|---------------|--------------|-----------------------------|-------------------------|-------------------------|
| Date | Location | Township | Diameter (Inch) | Existing Material | Age of Material | Length (feet) | Installation | Engineering in-Service Date | Reason for Replacement | Approximate Expenditure |
| 7/10/2016 | Near 1 Crane Way | Toms River | 2 | 8/off Valve | 1982 | - | SWTR | 7/10/2016 | Replaced Blow Off Valve | \$ 3,500.00 |
| 7/10/2016 | Near 1 Crane Way | Toms River | 2 | PVC | 1982 | 5 | SWTR | 7/10/2016 | Main Break | \$ 8,881.52 |
| 10/7/2016 | Maine Street & Dahlia Lane | Toms River | 6 | PVC | 1982 | - | SWTR | 10/7/2016 | Replaced Blow Off Valve | \$ 3,500.00 |
| 10/18/2016 | Pocono Place End Of Court | Toms River | 2 | 8/off Valve | 1965 | - | SWTR | 10/18/2016 | Replaced Blow Off Valve | \$ 3,500.00 |
| 11/1/2016 | 102 Fairacres Drive | Toms River | 4 | PVC | 1954 | 12 | SWTR | 11/1/2016 | Main Break | \$ 8,881.52 |
| 11/15/2016 | Near 82 Bonaire Drive | Berkeley | 8 | ACP | 1976 | - | Kiely | 11/15/2016 | Repair Clamp | \$ 8,881.52 |
| 11/16/2016 | Near 500 Lakehurst Road & Marjorie Drive | Toms River | 6 | ACP | 1964 | 2 | Kiely | 11/16/2016 | Main Break | \$ 15,000.00 |
| 11/28/2016 | Main Street & Washington Street | Toms River | 8 | ACP | 1950 | - | SWTR | 11/28/2016 | Repair Clamp | \$ 25,000.00 |
| 11/28/2016 | Near 17 Morongo Court | Berkeley | 2 | CP | 1982 | 2 | SWTR | 11/28/2016 | Main Break | \$ 8,881.52 |
| 12/27/2016 | Longman Street & Aldo Drive | Toms River | 6 | ACP | 1964 | - | Kiely | 12/27/2016 | Repair Clamp | \$ 10,000.00 |
| Total \$ | | | | | | | | | | 96,026.09 |

| SUEZ WATER TOMS RIVER | | | | |
|---------------------------------|-------------------|----------------------------|------------------------------|----------------------|
| 7/1/2016 to 12/31/2016 | | | | |
| PROJECT NAME | PROJECT ID | BLANKET REPLACEMENT | ESTIMATED EXPENDITURE | EXPENDITURE |
| Hydrant Replacement | C16D501 | 6 | \$ 63,650.00 | \$ 69,379.50 |
| Replaced Domestic Service | C16F501 | 108 ¹ | \$ 766,950.00 | \$ 658,496.17 |
| Replaced Fire Service | C16F503 | | | \$ - |
| Unreimbursed Utility Relocation | | | | \$ - |
| Valve Replacements | | | | \$ - |
| Total | | | \$ 830,600.00 | \$ 727,875.67 |

1 Includes domestic service replacements and curb stop cut in (43 and 65, respectively).

SUEZ Water Toms River Inc.
7/1/16 to 12/31/2016

| REPLACED FIRE HYDRANTS | | | | | | |
|------------------------|--|------------|--|-----------------|-----------------------------|--|
| Date | Location | Township | Work Completed | Age of Material | Engineering in-Service Date | |
| 7/21/2016 | Near 313 West Water Street / Lien Street | Toms River | Replace Hydrant | 12/31/1992 | 7/21/2016 | |
| 10/20/2016 | Dewey Street & Terrace Avenue | Toms River | Replaced Kennedy Hydrant With Muller Hydrant | 12/31/1992 | 10/20/2016 | |
| 10/1/2016 | Washington Street Across from Robbins Street | Toms River | Replaced Kennedy Hydrant With Muller Hydrant | 12/31/1992 | 10/1/2016 | |
| 10/1/2016 | Washington Street and Dickinson Avenue | Toms River | Replaced Cory Hydrant With Muller Hydrant | 12/31/1992 | 10/1/2016 | |
| 11/3/2016 | Adams Avenue & Fischer Blvd | Toms River | Replaced Hydrant | 12/31/1992 | 11/3/2016 | |
| 11/15/2016 | Monitor Drive | Toms River | Replaced Hydrant | - | 11/15/2016 | |

| REPLACEMENT SERVICES | | | | | | | |
|----------------------|-------------------------|------------|-------------------|-----------------|----------|----------------------|-----------------------------|
| Date | Location | Township | Work Completed | Diameter (Inch) | Material | Installation | Engineering In-Service Date |
| 7/5/2016 | 16 Bay Point Drive | Toms River | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 7/5/2016 |
| 7/5/2016 | 43 Pilot Road | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 7/5/2016 |
| 7/6/2016 | 54 Manor Road | Toms River | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 7/6/2016 |
| 7/7/2016 | 800 Bay Avenue | Toms River | Replaced Services | 1 | PE | Cut In New Curb Stop | 7/7/2016 |
| 7/7/2016 | 11 Cardiff Court | Berkeley | Replaced Services | 1 | CP | Replaced Service | 7/7/2016 |
| 7/8/2016 | 208 Aldo Drive | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 7/8/2016 |
| 7/8/2016 | 1060 Yellowbank Road | Toms River | Replaced Services | 1 | CP | Cut In New Curb Stop | 7/8/2016 |
| 7/8/2016 | 712 Brookside Drive | Toms River | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 7/8/2016 |
| 7/8/2016 | 7 Troumaka Street | Berkeley | Replaced Services | 1 | CP | Replaced Service | 7/8/2016 |
| 7/11/2016 | 652 Brookside Drive | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 7/11/2016 |
| 7/11/2016 | 89 Barbados Drive South | Berkeley | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 7/11/2016 |
| 7/11/2016 | 1127 Overlook Drive | Toms River | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 7/11/2016 |
| 7/11/2016 | 27 Neptune Road | Toms River | Replaced Services | 1 | CP | Cut In New Curb Stop | 7/11/2016 |
| 7/14/2016 | 11 Martinique Drive | Berkeley | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 7/14/2016 |
| 7/14/2016 | 76 Edinburgh Drive | Berkeley | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 7/14/2016 |
| 7/14/2016 | 2108 South Street | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 7/14/2016 |
| 7/15/2016 | 282 West Brook | Berkeley | Replaced Services | 1 | CP | Replaced Service | 7/15/2016 |
| 7/15/2016 | 16 Waldwick Court | Berkeley | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 7/15/2016 |
| 7/18/2016 | 433 St. Thomas Drive | Berkeley | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 7/18/2016 |
| 7/18/2016 | 116 Belmont Drive | South TR | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 7/18/2016 |
| 7/19/2016 | 370 Barbados Driver | Berkeley | Replaced Services | 1 | CP | Replaced Service | 7/19/2016 |
| 7/19/2016 | 3004 Norma Place | Toms River | Replaced Services | 1 | CP | Cut In New Curb Stop | 7/19/2016 |
| 7/25/2016 | 55 James Street | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 7/25/2016 |
| 7/25/2016 | 1001 Route 166 | Toms River | Replaced Services | 1 | CP | Cut In New Curb Stop | 7/25/2016 |
| 7/26/2016 | 741 Vaughn Avenue | Toms River | Replaced Services | 1 | CP | Cut In New Curb Stop | 7/26/2016 |
| 7/27/2016 | 312 Stephan Avenue | Toms River | Replaced Services | 1 | CP | Replaced Service | 7/27/2016 |
| 7/27/2016 | 310 Stephan Avenue | Toms River | Replaced Services | 1 | CP | Replaced Service | 7/27/2016 |
| 7/28/2016 | 11 Point O' Woods Drive | Toms River | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 7/28/2016 |
| 7/28/2016 | 8 Green Twig Drive | Toms River | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 7/28/2016 |
| 7/28/2016 | 80 Shasta Lane | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 7/28/2016 |
| 7/29/2016 | 5 Andros Street | Berkeley | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 7/29/2016 |
| 8/1/2016 | 230 Aldo Drive | Toms River | Replaced Services | 1 | CP | Replaced Service | 8/1/2016 |
| 8/1/2016 | 24 Harrington Drive Sou | Berkeley | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 8/1/2016 |
| 8/3/2016 | 1600 Sea Island Road | Toms River | Replaced Services | 1 | CP | Replaced Service | 8/3/2016 |
| 8/4/2016 | 195 Route 37 East | Toms River | Replaced Services | 1 | CP | Cut In New Curb Stop | 8/4/2016 |
| 8/4/2016 | 40 Encinitas Drive | Berkeley | Replaced Services | 1 | CP | Replaced Service | 8/4/2016 |
| 8/5/2016 | 19 Goyave Street | Berkeley | Replaced Services | 1 | CP | Replaced Service | 8/5/2016 |
| 8/5/2016 | 80 Patrician Drive | Toms River | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 8/5/2016 |
| 8/8/2016 | 308 Cheryl Drive | Toms River | Replaced Services | 1 | CP | Cut In New Curb Stop | 8/8/2016 |
| 8/8/2016 | 310 Cheryl Drive | Toms River | Replaced Services | 1 | CP | Replaced Service | 8/8/2016 |
| 8/10/2016 | 39 Coral Bell Hollow | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 8/10/2016 |
| 8/12/2016 | 585 Sica Lane | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 8/12/2016 |
| 8/16/2016 | 884 Briarcliff Drive | Toms River | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 8/16/2016 |
| 8/16/2016 | 312 Maria Drive | Toms River | Replaced Services | 1 | CP | Replaced Service | 8/16/2016 |
| 8/17/2016 | 869 Fischer Blvd | Toms River | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 8/17/2016 |
| 8/29/2016 | 204 Parisian Court | Berkeley | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 8/29/2016 |
| 8/29/2016 | 83 Scarborough Place | Berkeley | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 8/29/2016 |
| 8/30/2016 | 316 Cambourne Drive | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 8/30/2016 |
| 8/31/2016 | 310 Curacao Street | Berkeley | Replaced Services | 1 | CP | Cut In New Curb Stop | 8/31/2016 |
| 9/1/2016 | 5 Preston Court | Berkeley | Replaced Services | 1 | CP | Replaced Service | 9/1/2016 |
| 9/3/2016 | 4 Sunrise Court | Toms River | Replaced Services | 1 | CP | Replaced Service | 9/3/2016 |
| 9/7/2016 | 316 Elizabeth Avenue | Toms River | Replaced Services | 1 | CP | Replaced Service | 9/7/2016 |
| 9/8/2016 | 10 Webster Road | Toms River | Replaced Services | 1 | CP | Replaced Service | 9/8/2016 |

| | | | | | | | |
|------------|-------------------------|------------|-------------------|-----|----|----------------------|------------|
| 9/8/2016 | 831 Jamaica Blvd | Berkeley | Replaced Services | 1 | CP | Replaced Service | 9/8/2016 |
| 9/11/2016 | 17 Goyave Street | Berkeley | Replaced Services | 1 | CP | Replaced Service | 9/11/2016 |
| 9/13/2016 | 16 Edgewater Drive | Berkeley | Replaced Services | 1 | CP | Replaced Service | 9/13/2016 |
| 9/13/2016 | 356 Estate Point Road | Toms River | Replaced Services | 1 | CP | Replaced Service | 9/13/2016 |
| 9/15/2016 | 1877 Starboard Court | Toms River | Replaced Services | 1 | CP | Replaced Service | 9/15/2016 |
| 9/16/2016 | 27 Port Royal Drive | Berkeley | Replaced Services | 1 | CP | Replaced Service | 9/16/2016 |
| 9/20/2016 | 189 Morongo Court | Berkeley | Replaced Services | 1 | CP | Replaced Service | 9/20/2016 |
| 9/22/2016 | 1923 Mizzen Road | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 9/22/2016 |
| 9/28/2016 | 39 Kettle Creek Road | Toms River | Replaced Services | 1 | CP | Replaced Service | 9/28/2016 |
| 9/29/2016 | 2322 Odyssey Way | Toms River | Replaced Services | 1 | CP | Replaced Service | 9/29/2016 |
| 10/11/2016 | 672 Clifton Avenue | Toms River | Replaced Services | 1 | CP | Replaced Service | 10/11/2016 |
| 10/11/2016 | 305 Maria Drive | Toms River | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 10/11/2016 |
| 10/14/2016 | 135 Riparian Way | Toms River | Replaced Services | 1 | CP | Replaced Service | 10/14/2016 |
| 10/18/2016 | 36 Clarkson Drive | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 10/18/2016 |
| 10/25/2016 | 25 Coventry Road | Berkeley | Replaced Services | 1 | CP | Replaced Service | 10/25/2016 |
| 10/26/2016 | 45 West Water Street | Toms River | Replaced Services | 1 | CP | Cut In New Curb Stop | 10/26/2016 |
| 10/2/2016 | 21 Innsbruck Drive | Berkeley | Replaced Services | 1 | CP | Replaced Service | 10/2/2016 |
| 10/27/2016 | 1420 Waters Edge Drive | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 10/27/2016 |
| 10/28/2016 | 877 Egret Drive | Toms River | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 10/28/2016 |
| 10/28/2016 | 123 Maple Tree Road | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 10/28/2016 |
| 10/31/2016 | 281 South Shore Drive | Toms River | Replaced Services | 1 | CP | Replaced Service | 10/31/2016 |
| 11/3/2016 | 103 Fairacres Drive | Toms River | Replaced Services | 2 | CP | Replaced Service | 11/3/2016 |
| 11/4/2016 | 6 Windsor Court | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 11/4/2016 |
| 11/4/2016 | 21 Colgate Drive | South TR | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 11/4/2016 |
| 11/8/2016 | 194 Sharon Drive | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 11/8/2016 |
| 11/8/2016 | 225 Sharon Drive | Toms River | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 11/8/2016 |
| 11/16/2016 | 10 Redwood Drive | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 11/16/2016 |
| 11/16/2016 | 816 Demont Street | Toms River | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 11/16/2016 |
| 11/17/2016 | 1109 Dove Street | Toms River | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 11/17/2016 |
| 11/18/2016 | 1885 Compass Court | Toms River | Replaced Services | 1 | CP | Replaced Service | 11/18/2016 |
| 11/19/2016 | 400 Brookforest Drive | South TR | Replaced Services | 3/4 | CP | Cut In New Curb Stop | 11/19/2016 |
| 11/21/2016 | 509 Cozy Way | Toms River | Replaced Services | 1 | CP | Replaced Service | 11/21/2016 |
| 11/21/2016 | 510 Cozy Way | Toms River | Replaced Services | 1 | CP | Replaced Service | 11/21/2016 |
| 11/21/2016 | 511 Cozy Way | Toms River | Replaced Services | 1 | CP | Replaced Service | 11/21/2016 |
| 11/21/2016 | 504 Quiet Way | Toms River | Replaced Services | 1 | CP | Replaced Service | 11/21/2016 |
| 11/22/2016 | 26 Sunset Avenue | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 11/22/2016 |
| 11/22/2016 | 1013 Bay Avenue | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 11/22/2016 |
| 11/28/2016 | 17 Morongo Court | Berkeley | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 11/28/2016 |
| 11/28/2016 | 73 Bay Breeze Drive | Toms River | Replaced Services | 2 | CP | Replaced Service | 11/28/2016 |
| 11/29/2016 | 12 Bay Point Drive | Toms River | Replaced Services | 1 | CP | Cut In New Curb Stop | 11/29/2016 |
| 12/6/2016 | 33 Eton Road | Berkeley | Replaced Services | 1 | CP | Replaced Service | 12/6/2016 |
| 12/6/2016 | 15 Hyannis Street | Berkeley | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 12/6/2016 |
| 12/14/2016 | 33 Oak Leaf Lane | Toms River | Replaced Services | 1 | CP | Replaced Service | 12/14/2016 |
| 12/13/2016 | 5 Drexel Court | Toms River | Replaced Services | 1 | CP | Cut In New Curb Stop | 12/13/2016 |
| 12/13/2016 | 856 Round Tree Drive | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 12/13/2016 |
| 12/14/2016 | 585 River Terrace | Toms River | Replaced Services | 1 | CP | Cut In New Curb Stop | 12/14/2016 |
| 12/8/2016 | 1689 Yorktowne Blvd | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 12/8/2016 |
| 12/8/2016 | 31 Flint Road | South TR | Replaced Services | 2 | CP | Replaced Service | 12/8/2016 |
| 12/20/2016 | 11 Bimini Drive | Berkeley | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 12/20/2016 |
| 12/21/2016 | 1160 Lewison Drive | Toms River | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 12/21/2016 |
| 12/24/2016 | 236 Fort De France Aver | Berkeley | Replaced Services | 1 | CP | Replaced Service | 12/24/2016 |
| 12/24/2016 | 213 Fort De France Aver | Berkeley | Replaced Services | 1 | CP | Replaced Service | 12/24/2016 |
| 12/29/2016 | 213 Parisian Court | Berkeley | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 12/29/2016 |
| 12/30/2016 | 336 Barbados Drive Nor | Berkeley | Replaced Services | 1 | CP | Replaced Service | 12/30/2016 |
| 12/30/2016 | 80 Biabou Drive | Berkeley | Replaced Services | 3/4 | PE | Cut In New Curb Stop | 12/30/2016 |

RATE SCHEDULE NO. 7
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

In addition to the facilities charge provided for in this Tariff in Rate Schedule No.1 Metered Service, the following charges will apply to all metered customers throughout the service territory of the Company.

| <u>Size of Meter</u> | <u>Per Month</u> | * Exempt Rate <u>Per Month</u> |
|----------------------|------------------|-----------------------------------|
| 5/8 Inch | \$1.07 | \$0.9237 |
| 3/4 Inch | 1.64 | 1.4158 |
| 1 Inch | 2.68 | 2.3136 |
| 1-1/2 Inch | 5.35 | 4.6186 |
| 2 Inch | 8.56 | 7.3898 |
| 3 Inch | 16.05 | 13.8558 |
| 4 Inch | 26.75 | 23.0930 |
| 6 Inch | 53.50 | 46.1860 |
| 8 Inch | 85.60 | 73.8976 |
| 10 Inch | 123.05 | 106.2278 |
| 12 Inch | 176.55 | 152.4138 |

EXEMPTIONS:

*Sales to a public utility subject to a payment of Gross Receipts and Franchise Taxes shall be exempt from the applicable Gross Receipts and Franchise Taxes.

Issued:

Effective: March 1, 2017

By: David Stanton, President
461 From Road, Suite 400, Paramus, NJ 07652

DSIC REVENUES COLLECTED

SUEZ Water Toms River Inc.
Proposed DSIC Calculation
July 1, 2016 to December 31, 2016
Revenues Collected

| | |
|-----------|------------------|
| Sep | \$8,018.32 |
| Oct | 28,200.27 |
| Nov | 29,018.44 |
| Dec | <u>29,036.49</u> |
| | \$94,273.52 |
| Estimated | |
| Jan | 28,170.00 |
| Feb | <u>28,170.00</u> |
| | 56,340.00 |
| Total | \$150,613.52 |

| | |
|--------------------------------|-----------------------------|
| Total collected | \$150,613.52 |
| Total that should be collected | <u>170,410.00</u> |
| Amount under collected | <u><u>(\$19,796.48)</u></u> |

| | | <u>Number of Days</u> | <u>Amount to Collect</u> |
|---------------------------|--------------|---------------------------|------------------------------|
| July Surcharged - revised | \$338,041.00 | 184 | \$170,410.00 |
| August 29 to February 28 | | | |

DSIC EARNINGS CALCULATION

SUEZ Water Toms River
DSIC Earnings Calculation

| | |
|--|--------------------------|
| Rate base - as of December 31, 2016 | \$106,446,696 |
| Add: Projected plant additions 1/1/17 to 6/30/17 per NJAC 14:9-10.7(b) 3ii | 6,500,000 |
| Less: depreciation on projected plant additions @2.62% | (85,150) |
| Subtotal | <u>\$112,861,546</u> |
| Pretax rate of return (Docket WR15020269, effective 8/29/15) | 10.430% |
| Pre-tax utility operating income | \$11,771,459 |
| Actual Pre-tax utility operating income 12 months ended December 31, 2016 | <u>11,734,868</u> |
| Amount over(under) recovered | <u><u>(\$36,591)</u></u> |