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CASE MANAGEMENT

MAR 29 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Via Federal Express
March 29, 2019

Honorable Aida Camacho-Welch
Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
Trenton, NJ 08625-0350

RECEIVED
MAIL ROOM

MAR 29 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Re: In the Matter of Pinelands Water Company
For Approval of an Increase in its Rates for
Water Service and Other Tariff Changes
BPU Docket No. WR19030417

Dear Secretary Camacho-Welch:

Enclosed herewith for filing please find the original and ten (10) copies of Pinelands Water Company's Petition and prepared Testimony in the above-referenced matter.

Copies of this Petition have this day been served, via Federal Express, upon the Department of Law and Public Safety and upon the Director of the Division of Rate Counsel and, by first class mail, upon the Clerk of Southampton Township and the Clerk of the Board of Chosen Freeholders of Burlington County, which includes the Petitioner's service territory.

The case may be summarized as a petition for approval of an increase in rates seeking an overall increase of approximately \$189,104 or 22.49%. In addition, the Petitioner seeks approval, pursuant to N.J.A.C. 14:1-5.11, of changes to Petitioner's Tariff.

In the Petition, the Company also notifies the Board that it will implement the proposed rates on December 30, 2019 if the Board has suspended the effective date of the new rates pursuant to N.J.S.A. 48:2-21, but has not finally determined a just and reasonable tariff prior to that date.

Kindly stamp "filed" on the extra copy of the Petition enclosed herewith and return it to us.

CMS
Legal
DAG
RPA
M. Kammer
M. Lupo
WATER(6)
Economist
JLK:sm

Very truly yours,

Jay L. Kooper, Esq.
General Counsel

Enclosures

cc: Service List B

Updated 03/29/19 SM

Pinelands Water Company
BPU Docket No. WR19030417
Pinelands Wastewater Company
BPU Docket No. WR19030418
2019 Base Rate Case

~ Service List B ~

Clerk, Township of Southampton
5 Retreat Road
Southampton, NJ 08088

Clerk, Burlington County
Board of Chosen Freeholders
49 Rancocas Road
Mount Holly, NJ 08060



**IN THE MATTER OF PINELANDS WASTEWATER
COMPANY FOR APPROVAL OF AN INCREASE IN ITS
RATES FOR WATER SERVICE AND OTHER TARIFF
CHANGES**

2019 Rate Case

BPU DOCKET NO..

OAL DOCKET NO.

PETITION

AND

EXHIBITS

RECEIVED
CASE MANAGEMENT

MAR 29 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

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MAR 28 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

In the Matter of PINELANDS : PETITION
WASTEWATER COMPANY For :
Approval of an Increase in its Rates for :
Wastewater Service and Other : Docket No. WR1903
Tariff Changes :
_____ :

TO: THE HONORABLE BOARD OF PUBLIC UTILITIES:

Petitioner, Pinelands Wastewater Company (hereinafter referred to as "Petitioner", "Pinelands Wastewater" or the "Company") respectfully submits this Petition pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.11 and 14:1-5.12; and shows that:

FIRST COUNT
FOR AN INCREASE IN RATES

1. Pinelands Wastewater is a corporation organized and existing under the laws of the State of New Jersey, with its principal offices located at 485C Route One South, Suite 400, Iselin, New Jersey 08830. Communications relating to this Petition should be sent to Jay L. Kooper, Esq., 485C Route One South, Suite 400, New Jersey 08830, and Stephen B. Genzer, Esq., Saul Ewing Arnstein & Lehr LLP, One Riverfront Plaza, Newark, New Jersey 07102-5490, and copies thereof should also be sent to Mr. A. Bruce O'Connor, Vice President, Pinelands Wastewater Company, 485C Route One South, Suite 400, Iselin, New Jersey 08830.

2. Pinelands Wastewater is a duly organized and existing public utility of the State of New Jersey subject to the jurisdiction of the Board. The Company is engaged in the business of collecting and treating wastewater for customers in Southampton Township, Burlington County, including contract service for part of the Township itself. The Company owns and operates wastewater collection and treatment facilities for these purposes. Pinelands Wastewater

is a wholly-owned subsidiary of Middlesex Water Company (“Middlesex”), a New Jersey corporation and public utility subject to the jurisdiction of the Board. This Petition, however, is being filed on a “stand-alone” basis, that is, for the Pinelands Wastewater service area.

3. By this Petition, the Company seeks approval of an increase in rates, and approval of other tariff changes, pursuant to N.J.S.A. 48:2-21, N.J.A.C. 14:1-5.11 and N.J.A.C. 14:1-5.12 and other related provisions of statutes and regulations.

4. Expense increases, together with decreased wastewater treatment volumes, have occurred since the rates were last set in 2016. Such expense increases, including those in the costs of power, chemicals, testing requirements, maintenance, security, taxes, insurance, labor and employee benefits have occurred or will shortly do so. The Company is also engaged in a capital improvement program to maintain and improve safe, adequate and proper service to its customers. Such capital improvements and needed expense increases have improved the quality of service, but have impacted earnings.

5. Petitioner’s present rates for wastewater service are inadequate to meet such expenses, support capital improvement programs and provide Petitioner with a reasonable return on its investment in the utility plant. Without the increase, Petitioner’s financial condition could be jeopardized, as would its ability to continue to render safe, adequate and proper service to the public.

6. The additional revenues requested are further required to enable Petitioner to preserve its financial integrity, to permit proper maintenance, development and improvement of the utility plant required to furnish safe, adequate and proper service and to earn a reasonable return upon the fair value of its property used and useful in the public service.

7. Petitioner notifies the Board that, for the reasons stated above, it seeks approval to increase its rates for wastewater service, as provided in Exhibit A attached hereto, for service rendered on and after April 29, 2019 which date is at least 30 days after the filing of this Petition. Petitioner also notifies the Board that it will implement the proposed rates on December 30, 2019, on an interim basis, pursuant to law if the Board has suspended the effective date of the new rates pursuant to N.J.S.A. 48:2-21 but not finally determined a just and reasonable tariff prior to that date.

8. Petitioner's rates are being requested to be increased for the purpose of producing additional annual revenues of \$482,969 or 39.22% above the adjusted annual level of revenues for the test year ending September 30, 2019.

9. Notice of this filing, a copy of this Petition, and all other annexed exhibits are being served upon the municipal clerk in Southampton Township and the clerk of the Board of Chosen Freeholders of Burlington County, respectively the municipality and county in which the Petitioner provides service, and, in duplicate, upon the Department of Law and Public Safety and the Director of the Division of Rate Counsel. Notice of the filing and a statement of its effect will be furnished to Petitioner's customers by publication in newspapers published and circulated in Petitioner's service area pursuant to the rules of the Board.

10. Proof of service of the notices referred to herein will be filed with the Board by Petitioner in accordance with the Board's regulations.

11. Annexed hereto and made a part hereof as if fully set forth herein are the

following exhibits:

- Exhibit A - Proposed Changed Tariff Sheets including Rate Schedules and Proof of Revenues.
- Exhibit B - Present Tariff Sheets Corresponding to Exhibit A.
- Exhibit C - Comparative Balance Sheets - December 31, 2018, 2017 and 2016.
- Exhibit D - Comparative Statements of Income for the Twelve Months ended December 31, 2018, 2017 and 2016.
- Exhibit E - Balance Sheet as of December 31, 2015.
- Exhibit F - Pro Forma Statement of Income and Rate of Return for the Twelve Months ending September 30, 2019 at Present and Proposed Rates.
- Exhibit G - Payments or Accruals to Affiliated Companies.
- Exhibit H - Form of Notice to be given of this filing and of Public Hearing.
- Exhibit I - Affidavit of A. Bruce O'Connor.

WHEREFORE, the Petitioner respectfully requests that the proposed increase in rates be approved pursuant to N.J.S.A. 48:2-21 and that such other relief as is just and proper be granted by the Board.

SECOND COUNT
FOR OTHER TARIFF CHANGES

1. Petitioner repeats and realleges the allegations of the First Count and incorporates them into this Second Count as if fully set forth at length herein.
2. In this proceeding the Company proposes to make changes to its Tariff substantially as set forth in Exhibit A annexed hereto. A copy of the pages of the existing Tariff which are proposed to be changed is set forth in Exhibit B.

3. Notice of proposed Tariff changes is to be included in the notices proposed in paragraphs 9 and 10 of the First Count herein. The date on which the Company proposes to make the Tariff changes effective shall be the date on which new rates become effective as set forth in paragraph 7 of the First Count hereof unless the Board shall act earlier on any or all of these changes.

WHEREFORE, Petitioner respectfully requests that pursuant to N.J.A.C 14:5-11, the Board approve the Tariff proposed herein and that such other relief as is just and proper be granted by the Board.

Respectfully Submitted,



JAY L. KOOPER, ESQ.
General Counsel
Pinelands Wastewater Company
485C Route One South, Suite 400
Iselin, New Jersey 08830

Dated: March 29, 2019
Iselin, New Jersey

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

In the Matter of PINELANDS : CERTIFICATE OF SERVICE
WASTEWATER COMPANY For :
Approval of An Increase in its Rates :
for Wastewater Service and Other :
Tariff Changes :
:

Jay L. Kooper, an Attorney at Law of New Jersey, hereby certifies the following:

On March 29, 2019 I caused to be served by first-class mail, postage prepaid, a copy of the within Petition and Exhibits and the prepared Testimony to each party on the attached Service List B, and two copies thereof via Federal Express to the Department of Law and Public Safety at its address at Division of Law, 124 Halsey Street, P.O. Box 45029, Newark, New Jersey 07101 and to the Director, Division of Rate Counsel at its address at State of New Jersey, Division of Rate Counsel, 140 East Front Street - 4th Floor, Trenton, NJ 08625.



Jay L. Kooper

Dated: March 29, 2019