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CASE MANAGEMENT

MAY 16 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

State of New Jersey

Board of Public Utilities

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MAIL ROOM

MAY 16 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

IN THE MATTER OF THE PETITION : PETITION
OF LAKE LENAPE WATER COMPANY :
FOR APPROVAL OF AN INCREASE IN : BPU DOCKET NO. WR19050600
RATES FOR SERVICE : OAL DOCKET NO.

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

Lake Lenape Water Company, a corporation and public utility of the State of New Jersey, with its' principal office at 83 Eagle Chase, Woodbury, County of Nassau, State of New York, pursuant to N. J. S. A. 48:2-21, hereby petitions the Honorable Board of Public Utilities for approval to revise and increase its' rates for water service to become effective July 1, 2019, a date at least thirty (30) days after the filing of this petition at the Office of the Secretary of the Board of Public Utilities.

Pursuant to N. J. A. C. 14:1-6.16, Petitioner respectfully states:

1. The rates which Petitioner proposes to revise or increase, which have become unjust and unreasonable, are all of the currently effective rates of Petitioner now on file with your Honorable Board.
2. The operations of the Petitioner are conducted in the Township of Andover,
in the County of Sussex, State of New Jersey.
3. Notices of the filing of this Petition and the date of hearing will be made by

CMS

Legal

DAL

RFA

M. Kammer

M. Lupo

WATER

the Petitioner pursuant to the Board's Rules of Practice.

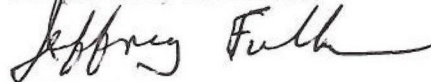
4. The reasons for the proposed increase of rates are as follows:
 - (a) To eliminate operating losses.
 - (b) To enable the Petitioner to meet increased operating expenses and decreased revenue, to establish its financial integrity.
 - (c) To enable the Petitioner to continue to furnish safe, adequate and proper service to its' customers.
5. The following data required by the Board's Rules of Practice are attached Hereto as exhibits:

Schedule No.	Description
1.	Comparative Balance Sheets for the Three Years Ended Dec. 31, 2016, 2017, 2018
2.	Schedule of Operation and Maintenance Expenses for the Three Years Ended Dec. 31, 2016, 2017, 2018
3.	Summary of Earnings as of Dec. 31, 2016, 2017, 2018 And Rate Base Dec. 31, 2018
4.	Actual Expenses as of Dec. 31, 2018, Projected Expenses for The Calendar Year 2019, and Revenue Requirements for 2019
5.	Proposed Rates for 2019

WHEREFORE, Petitioner prays that the Board find and determine that the Petitioners' rates presently in effect are unjust and unreasonable; and that the

Proposed increases in rates are just and reasonable.

Respectfully submitted,



Jeffrey Fuller

President

Lake Lenape Water Company

DATED: May 7, 2019

Lake Lenape Water Co.

Comparative Balance Sheets for the Three
Years Ended Dec. 31, 2016, 2017, 2018

Acct. No.	Assets and Other Debits	2016	2017	2018
101-03	Utility Plant	\$344,378	\$360,950	\$378,669
110	Accum. Provision for Depreciation	258,148	266,332	274,977
	Net Utility Plant	<u>86,230</u>	<u>94,618</u>	<u>103,692</u>
131	Cash	8,406	8,406	13,920
141	Notes Rec.	17,603	17,603	17,603
142	Customer Accounts Rec.	4,160	4,160	3,794
143	Other Accts Rec.	64,000	64,000	64,000
	Total Current Assets	<u>94,169</u>	<u>94,169</u>	<u>99,317</u>
124	Other Investments	117,632	127,874	121,597
	Total Assets & Other Debits	<u>298,031</u>	<u>311,480</u>	<u>324,606</u>
	Liabilities and Other Credits			
201	Common Capital Stock	25,500	25,500	25,500
216	Unappropriated Earned Surplus	182,026	192,358	198,471
	Total Proprietary Capital	<u>207,526</u>	<u>217,858</u>	<u>223,971</u>
231	Notes Pay.	31,293	24,662	41,068
232	Accounts Payable	4,482	15,627	6,597
236	Taxes Accrued	20,748	19,351	18,988
	Total Current & Accrued Liabilities	<u>56,523</u>	<u>59,640</u>	<u>66,653</u>
271	Contributions in Aid of Construction	33,982	33,982	33,982
	Total Liabilities & Other Credits	<u>\$298,031</u>	<u>\$311,480</u>	<u>\$324,606</u>

Lake Lenape Water Company

Schedule of Operation and Maintenance

Expenses for the Three Years Ended

Dec. 31, 2016, 2017, 2018

Acct. No	Operation and Maintenance Expenses	2016	2017	2018
	Operation/Maint. Labor	\$ 9,000	\$ 7,750	\$ 7,500
	Power Purchased	9,867	9,531	10,008
	Maintenance of Pump. Plant	42,794	40,731	51,817
	Total Pumping Expenses	<u>61,661</u>	<u>58,012</u>	<u>69,325</u>
901	Meter Reading Labor	1,400	1,400	1,400
	Administration and General expenses			
920	Admin. & General Salaries	13,560	13,560	13,560
921	Office Supplies	18,701	19,780	20,624
923	Outside Services	-	-	-
924	Insurance	12,754	13,176	12,793
926	Employee Pensions	-	-	-
930	Misc. General Expenses-Rent	4,620	4,620	4,620
928	Regulatory Commission Exp.	5,600	6,050	6,108
	Total Operation & Maintenance Expenses	<u>\$118,296</u>	<u>\$116,598</u>	<u>\$128,430</u>

Lake Lenape Water Company

Summary of Earnings as of Dec. 31, 2016, 2017

2018, and Rate Base Dec. 31, 2018

Acct. No.	# Customers	2016	2017	2018	Projected 2019
	Metered Sales to Gen. Customers	351	352	353	355
Operating Revenues					
461	Metered Sales to Gen. Customers	\$147,715	\$146,052	\$141,085	\$141,000
474	Other Water Revenues-Hydrants	3,121	780	-	-
	Total Operating Revenues	<u>150,836</u>	<u>146,832</u>	<u>141,085</u>	<u>141,000</u>
Operating Expenses					
401	Operation Expense	66,502	59,023	63,030	65,025
402	Maintenance Expense	51,794	48,481	56,109	57,900
403	Depreciation	7,753	8,184	8,645	8,645
408	Taxes other than Income	22,047	29,683	29,593	30,480
409	Income Taxes	-	1,676	(405)	2,000
	Total Operating Expenses	<u>148,096</u>	<u>147,047</u>	<u>156,972</u>	<u>164,050</u>
	Operating Income	\$ 2,740	\$ (215)	\$ (15,887)	\$ (23,050)
Rate Base					
	Utility Plant - 12/31/18	\$ 378,669			
	Accum. Depreciation	(274,977)			
		<u>\$ 103,692</u>			
	Working Capital	14,000			
		<u>\$ 117,692</u>			
	Rate Base	\$ 117,692			

Lake Lenape Water Company

Actual Expenses as of Dec. 31, 2018

Projected Expenses for the Calendar Year 2019

Requirements for 2019

Operation and Maintenance Accounts	Actual 12/31/18	Projected 12/31/19
Operation Labor	\$ 7,500	\$ 8,100
Power Purchased	10,008	10,310
Maintenance of Pump. Plant	50,566	52,083
Admin. And General Expenses-Salary	13,560	13,967
Office Supplies and Expense	3,640	3,749
Outside Services-Accounting	2,300	2,400
Insurance	12,793	13,000
Regulatory Commission Expenses	6,108	6,291
Rent	4,620	4,759
Transportation	1,187	1,223
Meter Reading	1,400	1,500
Testing	3,051	3,143
Interest Exp	2,406	2,400
Depreciation Expense	8,645	8,645
Income Taxes	(405)	2,000
Taxes-Other		
Excise	2,083	2,147
Gross Receipts	10,505	10,820
Franchise	6,400	6,593
Real Estate	9,291	9,570
Payroll	1,194	1,230
NJPWT	120	120
Total Operating Expenses	\$ 156,972	\$ 164,050
Allowable Return on Rate Base- 10%		11,769
Required Revenue- 2019		\$ 175,819
Operating Revenue- 2019 Projected		141,000
Required Increase in Operfating Revenue - 24.7%		\$ 34,819

Lake Lenape Water Company

Proposed Rates for 2019 for Water Service

METERED RATE SERVICE

1. There will be a Fixed Service Charge of \$35.90 per quarter for each customer.
2. In addition to the Fixed Service Charge, there will be a charge of \$7.93 per Thousand gallons used during the quarter.
3. A finance charge of 1 ½% per month shall be charged on all valid unpaid balances of Customers.

FIRE PROTECTION

1. On 10/13/17 the Township of Andover notified the Company that it no longer will use or pay for fire hydrant protection. This was in a written notice from the Town attorney.