



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

WATER

IN THE MATTER OF THE PETITION OF AQUA NEW JERSEY, INC. FOR APPROVAL OF AN INCREASE IN RATES OF WATER SERVICE AND OTHER TARIFF CHANGES (2018))
ORDER ADOPTING INITIAL)
DECISION/STIPULATION)
)
)
) BPU DOCKET NO. WR18121351)
) OAL DOCKET NO. PUC 00305-2019S)

Parties of Record:

Colleen A. Foley, Esq., Saul Ewing Arnstein & Lehr LLP, on behalf of Aqua New Jersey, Inc.,
Petitioner
Stefanie A. Brand, Esq. Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On December 21, 2018, Aqua New Jersey, Inc. ("Aqua," "Company" or "Petitioner"), 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 seeking, among other things, to increase rates for water service and to make other tariff changes. Specifically, the Company requested the following relief: to increase rates by approximately \$7,201,793, or approximately 18.7%, above the adjusted annual level of revenues for the test year ending April 30, 2019; to reset its current Distribution System Improvement Charge ("DSIC") to zero at the conclusion of this proceeding; to authorize the acquisition adjustments associated with the Company's purchase of the water systems formerly owned by the Byram Homeowners Association Water Company, Inc. ("Byram") and Cliffside Park Associates, Inc. ("Cliffside Park"); to implement a new depreciation rate for certain transportation equipment; to revise the Company's tariff, including the elimination of the Rider ED-Economic Development program; to implement a new program to assist the Company's low-income residential customers with paying their water and wastewater bills; and to authorize the Company to make the Tax Repair election and implement flow-through accounting.

By this Order, the Board considers the Initial Decision recommending adoption of the Stipulation of Settlement ("Stipulation") executed by the Company, the New Jersey Division of Rate Counsel ("Rate Counsel"), and Board Staff (collectively, "Parties"), agreeing to an overall increase in revenues totaling \$5,000,000.

BACKGROUND/PROCEDURAL HISTORY

On January 4, 2019, the Board transmitted the Company's petition to the Office of Administrative Law ("OAL"), and Administrative Law Judge ("ALJ") Tricia M. Caliguire was assigned to hear the case. By Order dated January 17, 2019, the Board suspended the implementation of changes the Company sought to make to its tariffs until May 21, 2019. Two telephone Pre-Hearing Conferences were convened by ALJ Caliguire on February 11, and 28, 2019, and a procedural schedule was agreed to by the Parties. ALJ Caliguire issued a Pre-Hearing Order on March 14, 2019. On May 8, 2019, the Board entered an Order further suspending, until September 21, 2019, the implementation of changes the Company sought to make to its tariffs.

After proper notice, four public comment hearings were held: two in Hamilton in the afternoon and evening of March 28, 2019, and two in Gloucester Township in the afternoon of April 1, 2019. Two members of the public appeared at the hearings to provide comments opposing the magnitude of the Company's proposed rate increase. The hearings were transcribed and made a part of the record.

STIPULATION¹

Subsequent to the public hearings, the Parties engaged in numerous settlement negotiations. As a result of these discussions and extensive discovery, the Parties reached a settlement on all issues and subsequently executed the Stipulation.

On May 23, 2019, ALJ Caliguire issued an Initial Decision in this matter recommending adoption of the Stipulation executed by the Parties, finding that the Parties voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues and is consistent with the law.

The Stipulation provides for the following:

The Parties agree that for purposes of this settlement, rate base is established at \$185,000,000.

The Parties agree that, for the purposes of resolving this proceeding only, the Company shall have an overall rate of return of 7.28%, which is based on the end of the test year (April 30, 2019), capital structure consisting of 47% long term debt with a cost rate of 4.66%, and 53% common equity with a cost rate of 9.60%.

The Parties stipulate to a total revenue requirement increase for the Company of \$5,000,000. The Parties recommend that this increase be deemed an appropriate result of this matter. The Parties recommend that the Board consider the above stipulated revenue increase and all remaining agreed-upon issues embodied in this Stipulation at its next public agenda meeting. The Parties further acknowledge that any increase or issue contained in this Stipulation and approved by the Board will become effective on a date to be determined by the Board. The

¹ Although described in this Order at some length, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions in this Order.

Parties agree that this settlement resolves all issues and represents a level of revenue necessary to ensure that Aqua will continue to provide safe, adequate, and proper water/wastewater service to customers.

The Parties have negotiated a tariff design resulting in the following monthly rate impacts for the average residential customer served by the indicated system:

Main	\$6.86	14.18%
Byram	(\$1.05)	(1.52%)
Cliffside Park	(\$2.44)	(5.42%)
Seaview Harbor	\$1.69	2.00%
Tranquility Springs	\$3.22	6.19%
Walkill	\$7.35	23.12%

The Parties agree and recommend that the attached tariff pages, included as **Exhibit A** to the Stipulation and implementing the terms of the Stipulation, should be adopted by the Board in their entirety. Attached to the Stipulation as **Exhibit B** is a Proof of Revenues for the Company. Final tariff pages implementing these rates will be submitted upon Board approval of the Stipulation.

The Parties acknowledge that the stipulated revenue increase reflects consideration of a consolidated income tax adjustment ("CTA").

The Parties agree that, upon the execution of this Stipulation, Aqua shall withdraw without prejudice its request (in BPU Docket No. WR19010047) that the Board approve the Company's proposed Foundational Filing to permit the implementation of a DSIC pursuant to N.J.A.C. 14:9-10.1 et seq. Upon the effective date of the Order of Approval in this matter (BPU Docket No. WR18121351), the Parties further agree the current Foundational Filing (approved in BPU Docket No. WR16010090) shall be closed, the DSIC charge shall be rolled into base rates, and the DSIC charge shall be reset to zero.

The Parties recommend that the Board approve the accounting and ratemaking treatment of the acquisition adjustments associated with the Company's purchase of the water systems previously owned by Byram and Cliffside Park as proposed in Exhibit P-26, Sheet 7 of the Company's 12+0 test year actual results.

The Parties recommend that the Board approve a change in the authorized depreciation rate applicable to certain transportation equipment from the presently approved rate of 0.69% to 20%.

In its next filed base rate proceeding, the Company agrees to file a proposal to address the recovery of costs related to the painting of its water storage tanks, which proposal shall reflect cost recovery methodologies consistent with practices utilized by other New Jersey water public utilities and approved by the Board. With respect to previously incurred tank painting costs, the Parties agree Aqua shall

continue its current amortization of those costs until that amortization expires.

The Parties recommend that the Board approve Aqua's low-income customer assistance program as described in greater detail in the Company's Petition.

The Company states that it is in compliance with the Water Quality Accountability Act ("WQAA"), N.J.S.A. 58:31-1 et seq., and acknowledges that it is required to continue to comply with the requirements of the WQAA.

The Parties acknowledge that Aqua is presently evaluating adoption of the Internal Revenue Service Tax Repair Election beginning with tax year 2020. Should the Company decide to make the Tax Repair Election; the Parties agree all of the following conditions shall apply:

a. The Company shall provide written notice to the Staff and Rate Counsel if it makes the Tax Repair Election. Such notice will be provided to the Parties no later than March 31, 2020.

b. The Company agrees to amortize any "catch-up" deductions over ten (10) years.

c. The Company shall be permitted to utilize "flow through" accounting.

d. The Company agrees it will not file a request to increase base rates before June 1, 2023 (i.e., no sooner than four years from the anticipated effective date of the order approving the Stipulation).

e. The Company shall be permitted to file a request to implement a DSIC. Consistent with the requirements contained in N.J.A.C. 14:9-10.1 et seq., the Company's filing may not be made after May 31, 2022. The Company further agrees it will not file a request to implement a DSIC before December 31, 2021.

f. Should the Company decide not to make the Tax Repair Election, the conditions set forth in sections (b) through (e) above shall not apply.

DISCUSSIONS AND FINDINGS

The Board is mindful of the impact any rate increase has on its customers. However, having reviewed the record in this matter, including ALJ Caliguire's Initial Decision and the Stipulation, the Board **FINDS** that the Parties have voluntarily agreed to the Stipulation, and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. In reaching this decision, the Board must balance the needs of the ratepayer to receive safe, adequate and proper service at reasonable rates, while allowing the utility the opportunity to earn a fair rate of return. See FPC v. Hope Natural Gas, 320 U.S. 591 (1944); N.J.S.A. 48:2-21 and N.J.S.A. 48:3-1. Therefore, the Board **FINDS** the Initial Decision, which adopts the

Stipulation, to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Initial Decision and the Stipulation, attached hereto, including all attachments and schedules, as its own, incorporating by reference the terms and conditions of the Stipulation, as if they were fully set forth at length herein, subject to the following:

- a. The tariff sheets attached to the Stipulation containing rates and charges conforming to the Stipulation and designed to produce the additional revenues to which the Parties have stipulated herein are **HEREBY ACCEPTED**; and
- b. The stipulated increase and the tariff design allocations for each customer classification are **HEREBY ACCEPTED**.

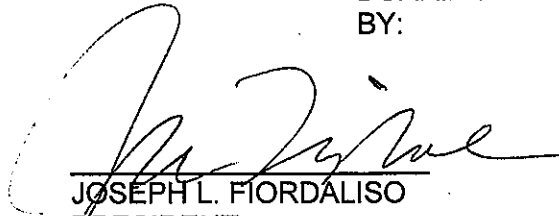
Based upon the forgoing, the Board **HEREBY APPROVES** an overall increase in revenues in the amount of \$5,000,000 representing a 13.00% increase over present rate revenues of \$38,466,531.

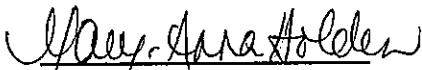
The Board **HEREBY ORDERS** the Company to submit complete revised tariffs conforming to the terms and conditions of the Stipulation and this Order within five days from the date of this Order.


This Order shall be effective on June 1, 2019.


DATED: 5/28/19

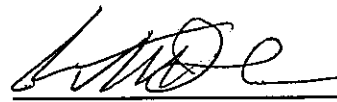
BOARD OF PUBLIC UTILITIES
BY:

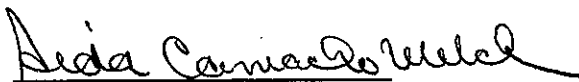

JOSEPH L. FIORDALISO
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER


ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
SECRETARY

**IN THE MATTER OF THE PETITION OF AQUA NEW JERSEY, INC. FOR APPROVAL OF AN
INCREASE IN RATES FOR WATER SERVICE AND OTHER TARIFF CHANGES**

BPU DOCKET NO. WR18121351

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OAL DKT. NO. PUC 00305-19

of an acquisition adjustment associated with Aqua's purchase of the water systems serving Byram and Cliffside Park; (4) to implement a new depreciation rate for transportation equipment; (5) to revise its tariffs to reflect the above requests and to make other specific tariff changes; (6) to implement a new program to assist low-income customers; and (7) special accounting treatment related to the federal Internal Revenue Service's Repair Election. The petition was transmitted to the Office of Administrative Law (OAL) on January 4, 2019, for determination as a contested case. Telephone prehearing conferences were held on February 11 and 28, 2019, and a prehearing order issued on March 14, 2019.

On March 28, 2019, two duly-noticed¹ public hearings were held in the Company's service territory, at 4:00 p.m. and 5:30 p.m., at the Hamilton Township Free Public Library, One Justice Samuel A. Alito, Jr., Way, Hamilton, New Jersey 08619. Jeff Martin (Martin), Hamilton Township Council President, appeared at the 4:00 p.m. hearing. Though he reported no formal action on behalf of the Hamilton Township Council, Martin expressed concern for residents on fixed incomes facing an increase in water rates and asked if any increase could be phased in over two years. The comments made by Martin, petitioner, staff of the Board, and the representative of the Division of Rate Counsel at the 4:00 p.m. public hearing were transcribed and made a part of the record.

Carmen Amato (Amato), Township of Berkeley Mayor and Aqua residential customer, appeared at the 5:30 p.m. hearing. Mayor Amato spoke against the proposed rate increase, terming it "unconscionable" during difficult economic times. He introduced a resolution passed by the Berkeley Council opposing the rate increase, which was made part of the record. The comments made by Amato, petitioner, staff of the Board, and the representative of the Division of Rate Counsel at the 5:30 p.m. public hearing were transcribed and made a part of the record.

On April 1, 2019, two duly-noticed public hearings were held in the Company's service territory, at 1:00 p.m. and 3:00 p.m., at the Gloucester Township-Blackwood Rotary Public Library, 15 South Black Horse Pike, Blackwood, New Jersey 08012. No members of the public

¹ Proof of service and publication of the public notice of all four hearings was made part of the record.

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appeared at either hearing. The comments made by petitioner, staff of the Board, and the representative of the Division of Rate Counsel were transcribed and made a part of the record.

On March 15, 2019, Kelly A. Yeade, Mayor of the Township of Hamilton, submitted written comments in opposition to the proposed rate increase. On April 1, 2019, Bruce R. Darvis, Associate Township Attorney of Robbinsville Township, submitted written comments in opposition to the manner in which the proposed rate increase would be implemented and proposing that any approved rate increase be phased in over at least a two-year period.

The parties filed on May 20, 2019, a Stipulation of Settlement which resolves all issues in this proceeding. (J-1.) Said Stipulation of Settlement has been signed by petitioner, staff of the Board, and the New Jersey Division of Rate Counsel.

The Stipulation of Settlement indicates the terms of settlement, and is attached and fully incorporated herein.

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

1. The parties have voluntarily agreed to the settlement as evidenced by their signatures or their representatives' signatures on the attached document.
2. The settlement fully disposes of all issues in controversy between the parties and is consistent with the law.

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

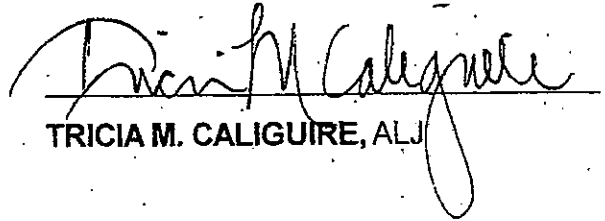
This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five

OAL DKT. NO. PUC 00305-19

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.

May 22, 2019

DATE


TRICIA M. CALIGUIRE, ALJ

Date Received at Agency:

5-22-19

Date Mailed to Parties:

nd

OAL DKT. NO. PUC 00305-19

APPENDIX

EXHIBITS

Jointly Submitted:

J-1 Stipulation of Settlement, dated May 17, 2019

STATE OF NEW JERSEY RECEIVED
BOARD OF PUBLIC UTILITIES

2019 MAY 20 A 11:29

IN THE MATTER OF THE PETITION OF
 AQUA NEW JERSEY, INC. FOR
 APPROVAL OF AN INCREASE IN
 RATES FOR WATER SERVICE AND
 OTHER TARIFF CHANGES (2018)

STATE OF NEW JERSEY
STIPULATION OF SETTLEMENT
 OFFICE OF ADMINISTRATIVE LAW

BPU DOCKET NO. WR18121351
 OAL DOCKET NO. 00305-2019S

APPEARANCES:

Colleen A. Foley, Esq., and Courtney L. Schultz, Esq., Saul Ewing Arnstein & Lehr LLP, on behalf of Aqua New Jersey, Inc., Petitioner,

Peter Van Brunt, Deputy Attorney General and Renee Greenberg, Deputy Attorney General (Gurbir S. Grewal, Attorney General of New Jersey), on behalf of the Staff of the Board of Public Utilities, and

Debra F. Robinson, Esq., Deputy Rate Counsel, Susan E. McClure, Esq., Assistant Deputy Rate Counsel, and Christine M. Juarez, Esq., Assistant Deputy Rate Counsel, on behalf of the Division of Rate Counsel (Stefanie A. Brand, Director)

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

The Parties to this proceeding are as follows: Aqua New Jersey, Inc. (the "Company," "Aqua" or "Petitioner"), the Division of Rate Counsel ("Rate Counsel"), and the Staff of the Board of Public Utilities ("Board Staff" or "Staff"). As a result of an analysis of Petitioner's pre-filed testimony and exhibits, extensive discovery, and a total of four public comment hearings held on March 28, 2019 and April 1, 2019, the Company, Board Staff and Rate Counsel (collectively, the "Parties") have come to an agreement on the issues in dispute in this matter. The Parties hereto agree and stipulate as follows:

Procedural History

On December 21, 2018, Petitioner, 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 seeking among other

things to increase rates for water service and to make other tariff changes. Specifically, the Company requested the following relief: to increase rates by approximately \$7,201,793, or approximately 18.7%, above the adjusted annual level of revenues for the test year ending April 30, 2019; to reset its current Distribution System Improvement Charge ("DSIC") to zero at the conclusion of this proceeding; to authorize the acquisition adjustments associated with the Company's purchase of the water systems formerly owned by the Byram Homeowners Association Water Company, Inc. ("Byram") and Cliffside Park Associates, Inc. ("Cliffside Park"); to implement a new depreciation rate for certain transportation equipment; to revise the Company's tariff, including the elimination of the Rider ED-Economic Development program; to implement a new program to assist the Company's low-income residential customers with paying their water and wastewater bills; and, to authorize the Company to make the Tax Repair election and implement flow-through accounting.

On January 4, 2019, the Board transmitted the Company's base rate request to the Office of Administrative Law ("OAL"), and Administrative Law Judge ("ALJ") Tricia M. Caliguire was assigned to hear the case. By an Order dated January 17, 2019, the Board suspended until May 21, 2019, the implementation of changes the Company sought to make to its tariffs. Two telephone Pre-Hearing Conferences were convened by ALJ Caliguire on February 11 and 28, 2019, and a procedural schedule was agreed to by the Parties. ALJ Caliguire issued a Pre-Hearing Order on March 14, 2019. On May 8, 2019, the Board entered an Order further suspending until September 21, 2019, the implementation of changes the Company sought to make to its tariffs.

Extensive discovery was conducted by the Parties with the Company providing responses to hundreds of data requests. After proper notice, four public comment hearings were held: two in Hamilton on the afternoon and evening of March 28, 2019, and two in Gloucester

Township on the afternoon of April 1, 2019. Two members of the public appeared at the hearings to provide comments opposing the magnitude of the Company's proposed rate increase. The hearings were transcribed and made a part of the record.

Settlement discussions were held, and the agreements reached during those discussions have resulted in the following Stipulation of Settlement ("Stipulation") agreed to by the Parties:

1. For the purposes of this proceeding only, the Company's total rate base is agreed to be approximately \$185,000,000 with a test year ending April 30, 2019, adjusted for certain known and measurable changes. The Parties further agree that this rate base amount does not reflect any particular ratemaking adjustment proposed by any Party for incorporation into the overall revenue requirement calculation.

2. The Parties agree that, for the purposes of resolving this proceeding only, the Company shall have an overall rate of return of 7.28%, which is based on the end of the test year (April 30, 2019) capital structure consisting of 47% long term debt with a cost rate of 4.66%, and 53% common equity with a cost rate of 9.60%.

3. The Parties stipulate that a revenue increase for the Company of \$5,000,000 is an appropriate resolution of this matter and is just and reasonable.

4. The Parties agree and recommend that this Stipulation shall be presented to the Board for approval at the Board's May 28, 2019 public agenda meeting so that the rates set forth herein shall become effective for service rendered on and after June 1, 2019. Each Party understands that a Board order adopting this Stipulation will become effective upon the service of said Board order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

5. The Parties acknowledge that the stipulated revenue increase reflects consideration of a consolidated income tax adjustment.

6. The Parties agree and recommend that the attached tariff pages, included as **Exhibit A**, implementing the terms of this Stipulation, should be adopted by the Board in their entirety. Attached as **Exhibit B** is a Proof of Revenues for the Company. Final tariff pages implementing these rates will be submitted upon Board approval of this Stipulation. Based on the rate design in **Exhibit A**, the monthly impact of this rate change on the total bill for a typical General Metered Service residential customer using 6,000 gallons per month is \$6.86 or 14.18 percent.

7. The Parties agree that, upon the execution of this Stipulation, Aqua shall withdraw without prejudice its request (in BPU Docket No. WR19010047) that the Board approve the Company's proposed Foundational Filing to permit the implementation of a DSIC pursuant to N.J.A.C. 14:9-10.1 *et. seq.* Upon the effective date of the Order of Approval in this matter (BPU Docket No. WR18121351), the Parties further agree the current Foundational Filing (approved in BPU Docket No. WR16010090) shall be closed, the DSIC charge shall be rolled into base rates, and the DSIC charge shall be reset to zero.

8. The Parties recommend that the Board approve the accounting and ratemaking treatment of the acquisition adjustments associated with the Company's purchase of the water systems previously owned by Byram and Cliffside Park as included in Exhibit P-26, Sheet 1 of the Company's 12+0 test year actual results.

9. The Parties recommend that the Board approve a change in the authorized depreciation rate applicable to certain transportation equipment from the presently approved rate of 0.69% to 20%.

10. In its next filed base rate proceeding, the Company agrees to file a proposal to address the recovery of costs related to the painting of its water storage tanks, which proposal shall reflect cost recovery methodologies consistent with practices utilized by other New Jersey water public utilities and approved by the Board. With respect to previously incurred tank painting costs, the Parties agree Aqua shall continue its current amortization of those costs until that amortization expires.

11. The Parties recommend that the Board approve Aqua's low-income customer assistance program as described in greater detail in the Company's Petition.

12. The Company states that it is in compliance with the Water Quality Accountability Act ("WQAA"), N.J.S.A. 58:31-1 *et seq.*, and acknowledges that it is required to continue to comply with the requirements of the WQAA.

13. The Parties acknowledge that Aqua is presently evaluating adoption of the Internal Revenue Service Tax Repair Election beginning with tax year 2020. Should the Company decide to make the Tax Repair Election, the Parties agree all of the following conditions shall apply:

- a. The Company shall provide written notice to the Staff and Rate Counsel if it makes the Tax Repair Election. Such notice will be provided to the Parties no later than March 31, 2020.
- b. The Company agrees to amortize any "catch-up" deductions over ten (10) years.
- c. The Company shall be permitted to utilize "flow through" accounting.
- d. The Company agrees it will not file a request to increase base rates before June 1, 2023 (i.e., no sooner than four years from the anticipated effective date of the order approving this Stipulation).

e. The Company shall be permitted to file a request to implement a DSIC. Consistent with the requirements contained in N.J.A.C. 14:9-10.1 *et seq.*, the Company's filing may not be made after May 31, 2022. The Company further agrees it will not file a request to implement a DSIC before December 31, 2021.

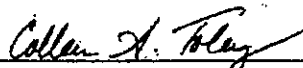
f. Should the Company decide not to make the Tax Repair Election, the conditions set forth in sections (b) through (e) above shall not apply.

14. This 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 accepted and approved by the Board, shall govern all issues specified and agreed to herein. The Parties to this Stipulation specifically agree that if adopted in its entirety by the Board, no appeal shall be taken by them from the order adopting same as to those issues upon which the Parties have stipulated herein. 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 hereto materially affected thereby shall not be bound to proceed under this Stipulation. The Parties further agree that the purpose of this Stipulation is to reach fair and reasonable rates, with any compromises being made 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.

15. 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.

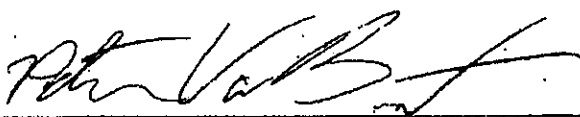
AQUA NEW JERSEY, INC.

Date: May 16, 2019


By: SAUL EWING ARNSTEIN & LEHR LLP
Colleen A. Foley, Esq.
Attorney for Petitioner

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of
Public Utilities

Date: May 16, 2019


By: Peter Van Brunt, Deputy Attorney General
Renee Greenberg, Deputy Attorney General

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


Date: May __, 2019

By: Debra F. Robinson, Esq.
Deputy Rate Counsel
Christine Juarez, Esq.
Assistant Deputy Rate Counsel
Susan E. McClure, Esq.
Assistant Deputy Rate Counsel

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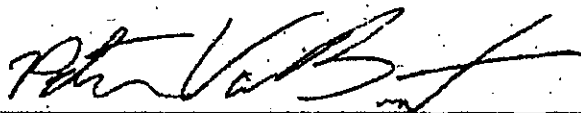
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By: SAUL EWING ARNSTEIN & LEHR LLP
Colleen A. Foley, Esq.
Attorney for Petitioner

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of
Public Utilities

Date: May 16, 2019


By: Peter Van Brunt, Deputy Attorney General
Renee Greenberg, Deputy Attorney General

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

Date: May 17, 2019

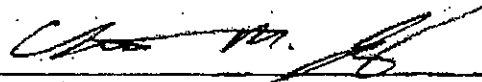

By: Debra F. Robinson, Esq.
Deputy Rate Counsel
Christine Juarez, Esq.
Assistant Deputy Rate Counsel
Susan E. McClure, Esq.
Assistant Deputy Rate Counsel

EXHIBIT A
PROPOSED TARIFF

AQUA NEW JERSEY, INC.
B.P.U. NO. 18 - WATER

ORIGINAL TITLE PAGE

AQUA NEW JERSEY, INC.

TARIFF FOR

WATER SERVICE

APPLICABLE IN

ALL OR PART OF

WARREN, HUNTERDON, MERCER, BURLINGTON, CAMDEN, OCEAN,
SUSSEX, MONMOUTH, GLOUCESTER, ATLANTIC AND MORRIS COUNTIES

NEW JERSEY

Issued: May 28, 2019

Effective Date: June 1, 2019

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated May 28, 2019. in
Docket No. WR18121351.

AQUA NEW JERSEY, INC.
B.P.U. NO. 18 - WATER

ORIGINAL SHEET NO. 1

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AQUA NEW JERSEY, INC.
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ORIGINAL SHEET NO. 2

TERRITORY SERVED

ATLANTIC COUNTY

Egg Harbor Township

BURLINGTON COUNTY

Chesterfield Township *
North Hanover Township
Borough of Wrightstown

CAMDEN COUNTY

Gloucester Township *

GLOUCESTER COUNTY

Woolwich Township

HUNTERDON COUNTY

Bloomsbury Borough*
Califon Borough
Holland Township*
Lebanon Township
Readington Township

MERCER COUNTY

Hamilton Township *
Lawrence Township
Robbinsville Township *

MONMOUTH COUNTY

Howell Township
Upper Freehold

MORRIS COUNTY

Washington Township
Mount Olive Township

OCEAN COUNTY

Berkeley Township

SUSSEX COUNTY

Byram Township*
Fredon Township
Green Township*
Hardyston Township *
Vernon Township *

WARREN COUNTY

Alpha Borough
Greenwich Township
Harmony Township
Lopatcong Township
Mansfield Township*
Town of Phillipsburg
Pohatcong Township

*Partially served

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AQUA NEW JERSEY, INC.
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ORIGINAL SHEET NO. 3

TERMS AND CONDITIONS OF SERVICE

I. DEFINITIONS:

- 1.1 "Aqua" or "Company" shall be used herein to refer to Aqua New Jersey, Inc., the party rendering water service.
- 1.2 "BPU" or "Board" shall be used herein to refer to the New Jersey Board of Public Utilities.
- 1.3 "Classes of General Metered Service." There are five classes of general metered service, based on the nature of the Customer and the use of the property receiving service, as follows:
- 1.3.1 **Residential Class:** An individually-metered dwelling unit intended for human habitation (including a detached house, rowhome, townhouse, condominium and mobile home) or an individually-metered home or building consisting of not more than two dwelling units.
 - 1.3.2 **Commercial Class:** A building, store, restaurant or office which is primarily a site for the buying or selling of goods or the provision of professional or consumer services. In addition, apartments, condominium complexes, colleges, private and public schools, car washes, laundromats, construction sites, hotels, motels, and tanks filled at the Company's premises are included in this class.
 - 1.3.3 **Industrial Class:** A building or factory which is primarily a site for the manufacture or production of goods.
 - 1.3.4 **Other Water Utility:** A public water utility, Municipal Corporation or water authority which purchases water for resale to their customers.
 - 1.3.5 **Public:** A public building, library, park or playground which is owned by a governmental unit which has the power of taxation.
- 1.4 "Connecting line" is the portion of pipe that starts at the curb stop and conveys domestic water and/or fire service to the customer. The customer owns, and is responsible for the operation and maintenance of the connecting line.

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AQUA NEW JERSEY, INC.
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ORIGINAL SHEET NO. 4

TERMS AND CONDITIONS OF SERVICE

1. DEFINITIONS (CONTINUED):

1.5 "Curb stop" is the fitting attached to the service line, and is used primarily for turning on and shutting off water at the curb in emergencies, for purposes of repair or to discontinue service to a customer.

1.6 "Customer" shall be used herein to refer to the party contracting for service to a property, or the party receiving and paying for the service, as appropriate.

1.7 "DSIC" shall be used herein to refer to the Distribution System Improvement Charge. (N.J.A.C. 14:9-10.2).

1.8 "Diversion" shall be used herein to refer to an unauthorized connection to pipes by which utility service registers on the Tenant-Customer's meter although such service is being used by other than the Tenant-Customer of record without his or her knowledge or cooperation. The unauthorized connection must not be apparent from the premises. (N.J.A.C. 14:3-7.8).

1.9 "DPA" shall be used herein to refer to a Deferred Payment Agreement, which may be offered by the Company to a Customer upon request, as appropriate and in accordance with the Board's regulations.

1.10 "Extension" is an addition to the existing system of mains, intended to service more than one customer, either at the time of installation or in the future.

1.11 "Interruptible Service" means service which may be interrupted in the sole discretion of the Company on not less than three (3) hours' notice to the customer by telephone or otherwise.

1.12 "Main" is a pipe or conduit for conveying water or wastewater. A "water main" will exclusively convey water and a "sewer main" will exclusively convey wastewater.

1.13 "Meter" is a device to measure the quantity of water, wastewater and/or the rate of flow delivered to or from a customer.

1.14 "Meter pit" is a structure that houses a small meter or meters less than or equal to 2-inches. Unless agreed to by the Company and the customer, it is installed, furnished and maintained by the Customer.

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AQUA NEW JERSEY, INC.
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ORIGINAL SHEET NO. 5

TERMS AND CONDITIONS OF SERVICE

I. DEFINITIONS (CONTINUED):

1.15 "Meter vault" is a structure that houses a meter or meters larger than 2-inches. Unless explicitly agreed to by the Company and the customer in writing, it is located and designed by the Company, and constructed, installed, furnished and maintained by the Customer at the sole expense to the customer.

1.16 "Multi-use service" shall be used herein to refer to water service that is supplied to a structure through one water line extending from the water main to the structure, and which is used inside the structure for both domestic water service and fire suppression service. (N.J.A.C. 14:9-8.1).

1.17 "NJ DEP" shall be used herein to refer to the New Jersey Department of Environmental Protection.

1.18 "PSTAC" or "Purchased wastewater treatment adjustment clause" is a provision that authorizes a utility to adjust its rates to compensate for an increase or decrease in the cost of wastewater treatment purchased from a wastewater treatment purveyor. (N.J.A.C. 14:9-7.2).

1.19 "PWAC" or "Purchased water adjustment clause" is a provision that authorizes a utility to adjust its rates to compensate for an increase or decrease in the cost of water purchased from a water purveyor. (N.J.A.C. 14:9-7.2)

1.20 "PWAC Year" and "PSTAC Year" shall mean the twelve-month period beginning each January 1 and ending December 31 of the following calendar year.

1.21 "Residential Customer" shall be used herein to refer to Customers who receive service for use in a residence. (N.J.A.C. 14:3-1.1).

1.22 "Service line" is the portion of pipe that starts from a main and ends at the curb stop. The service line is owned, operated and maintained by the Company. (N.J.A.C. 14:3-8)

1.23 "Tap" is the fitting inserted in the main to which the service line is attached. It is used to facilitate the tapping of the main and for shutting off water in case of repairs to the service line.

1.24 "Tariff," as referred to herein, is the entire "Tariff for Water Service" as the same may be amended or revised from time to time in accordance with N.J.A.C. 14:3-1.3, Tariffs.

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AQUA NEW JERSEY, INC.
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ORIGINAL SHEET NO. 6

TERMS AND CONDITIONS OF SERVICE

1. DEFINITIONS (CONTINUED):

1.25 "Tenant-Customer" shall be used herein to refer to a Residential Customer of record at the time of the complaint who rents a dwelling unit in a multifamily building or owns a condominium. (N.J.A.C. 14:3-7.8).

2. GENERAL INFORMATION:

2.1 Aqua is regulated by the Board. The Company's provision of service is governed by New Jersey statutes and the pertinent rules and regulations promulgated by the Board, which statutes and rules and regulations are hereby adopted and incorporated by reference, as well as the terms of this tariff. If there is an inconsistency between the Company's tariff and the Board's regulations, the Board's regulations supersede the tariff provision absent specific approval to the contrary by the Board. However, if the tariff provides for more favorable treatment of a Customer than the Board's regulations, the tariff shall control. (N.J.A.C. 14:3-1.3(i)).

2.2 The current Board-approved "Customer Bill of Rights" can be found on the Board's website at <http://www.bpu.state.nj.us/bpu/assistance/rights/>.

2.3 A copy of this Board-approved tariff can be found on the Company's website, www.aquaamerica.com, and is also available for public inspection both at the Company's offices and at the Board, 44 S. Clinton Avenue, Trenton, New Jersey 08625. (N.J.A.C. 14:3-1.3(h)). If after you review this tariff and discuss it with appropriate Company employees, you still have questions regarding this tariff or your service, you may contact the Board's Division of Customer Assistance in-person, by phone, toll free, at (800) 624-0241, or by mail. If you choose to write to the Board, please be sure to include your name, address and phone number (including the area code), and, if you are a Customer, please also include your account number.

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AQUA NEW JERSEY, INC.
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ORIGINAL SHEET NO. 7

TERMS AND CONDITIONS OF SERVICE

3. BILLING, FEES AND CHARGES:

3.1 The Company will not place the name of a second individual on the account of a Residential Customer unless specifically requested by said second individual. (N.J.A.C. 14:3-3.2(b)).

3.2 The Company shall not assess a late payment charge on a Residential Customer, or on a State, county or municipal government entity. Any late payment charges, as appropriate, will not be applied before 25 days have elapsed from the date the bill is rendered. (N.J.A.C. 14:3-7.1(e)).

3.3 The Company shall not impose any fees or charges for any fire protection system to a Residential Customer served by a water service line of two inches or less in diameter. Nor will the Company impose any fees in excess of the cost of water actually used for any sprinkler system required by State statutes or regulations to be installed in any residential health care facility or rooming or boarding house. The Company may, however, require separate, dedicated lines for fire protection and that those lines be metered. (N.J.S.A. 48:19-18).

3.4 Tenant-Customers shall not be required to pay for charges associated with a Diversion where, after investigation, Aqua New Jersey, Inc. has determined a Diversion of service has occurred. (N.J.A.C. 14:3-7.8(b)).

3.5 The Distribution System Improvement Charge (DSIC) is a Board-approved charge that allows the Company to more timely recover costs of rehabilitating, improving, or replacing non-revenue producing water distribution infrastructure needed for conservation, continued system safety and reliability, improved water quality, and sustained economic growth in New Jersey. (N.J.A.C. 14:9-10.1). The DSIC rate (as specified in Rate Schedule No. 1D) is reflected as a separate line item on Customer bills, and is calculated in accordance with N.J.A.C. 14:9-10.9(a)3.

3.6 Restoration Charge: Prior to restoration of service following discontinuance of service at the Company's direction, including but not limited to discontinuance for non-payment, a Customer may be required to pay a Restoration Charge in the amount of \$50.00.

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ORIGINAL SHEET NO. 8

TERMS AND CONDITIONS OF SERVICE

3. BILLING, FEES AND CHARGES (CONTINUED):

3.7 Bad Checks Charge. Where the Customer submits a negotiable instrument to the Company in payment of a bill, charge, or deposit due and such instrument is subsequently dishonored or uncollectible for any reason, the Customer may be required to pay a Bad Check Charge equal to the costs incurred by the Company from the financial institution.

3.8 Non-Standard Meter Connection Fees.

3.8.1 For metered connections which are set up for the temporary, short term sale of water such as to contractors, lawn care specialists, the Company will charge for the water taken based on the "General Metered Service" tariff. The Company shall have the right to designate where, how, when and if such water may be obtained. Anyone granted permission to obtain water in such a manner must have in place a mechanism acceptable to the Company that will protect against the backflow of water into the Company's system.

3.8.2 In addition, the Company shall require a \$1,600 deposit for any temporary meter obtained from the Company. This deposit shall be refunded upon return of the temporary meter, provided that the meter is returned in the same condition in which it was borrowed. The Company reserves the right to retain all or a portion of the deposit if the meter is returned in a condition other than that which it was borrowed and/or if the meter is not returned at all.

3.9 Bulk Water Purchase. For bulk water purchases, such as the filling of tanker trucks, the Company will charge for the water taken based on the "General Metered Service" tariff.

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AQUA NEW JERSEY, INC.
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ORIGINAL SHEET NO. 9

TERMS AND CONDITIONS OF SERVICE

4. DEPOSITS:

4.1 While the Company does not typically request a deposit from a Customer upon initiation of new service, it reserves the right to do so consistent with the Board's regulations.

4.2 The Company may require that a Customer pay a deposit if the Customer fails to pay a bill within fifteen (15) days after the due date, or after service has been discontinued for non-payment. (N.J.A.C. 14:3-3.4).

4.3 Deposits shall be calculated in accordance with the Board's regulations. (N.J.A.C. 14:3-3.4(b)).

5. DISCONTINUANCE OF SERVICE:

5.1 **Customer Request:** Within 48 hours of notice to the Company by the Customer of a request to discontinue service, the Company shall discontinue service or obtain a meter reading for purposes of calculating the final bill. Where such notice is not provided by the Customer to the Company, the Customer shall be liable for service until the final meter reading is taken. A notice to discontinue service provided by the Customer shall not relieve the Customer from any minimum or guaranteed payment under any contract or rate. (N.J.A.C. 14:3-3A.1(b)).

5.2 **At the Company's Direction (For Reasons Other Than Nonpayment):** The Company may curtail, suspend or discontinue service, upon reasonable notice, to the extent reasonably possible, for the following reasons (N.J.A.C. 14:3-3A.1(a)):

5.2.1 In order to make permanent or temporary repairs, changes or improvements in any part of the Company's system;

5.2.2 For compliance in good faith with any governmental order or directive, regardless of whether such order or directive subsequently may be held to be invalid; or

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ORIGINAL SHEET NO. 10

TERMS AND CONDITIONS OF SERVICE

5. DISCONTINUANCE OF SERVICE (CONTINUED):

5.3 For any of the following acts or omissions on the part of the Customer:

- Refusal of reasonable access to the Customer's premises;
- Tampering with any facility of the Company;
- Fraudulent representation in relation to use of service;
- Providing the Company's service to others without approval of the Company;
- Refusal to contract for service where such contract is required;
- Connecting and operating in such a manner as to interfere with the service of the Company or other Customers;
- Failure to comply with any reasonable standard terms and conditions contained in the Company's tariff;
- Where the condition of the Customer's installation presents a hazard to life or property; or
- Failure to repair any faulty facility of the Customer.

5.4 **At the Company's Direction (For Nonpayment):** The Company has the right to curtail, suspend or discontinue service for nonpayment of water charges or for nonpayment of a deposit, upon due notice given, where the Residential Customer's arrearage is (i) more than \$100.00, or (ii) more than three (3) months in arrears. (N.J.A.C. 14:3-3A.2(a)).

5.4.1 Customers shall be provided with at least fifteen (15) days from the postmark date of the outstanding bill to pay the water bill, or any deposit amount requested by the Company, except for those Customers receiving fire protection or multi-use service. (N.J.A.C. 14:3-3A.3).

5.4.2 Where payment is not received within fifteen (15) days, the Company shall provide the Residential Customer with at least ten (10) days' notice prior to discontinuance of service.

5.4.3 The Company shall make good faith efforts to contact all Residential Customers by phone prior to discontinuance of service, in addition to notice by first class mail.

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AQUA NEW JERSEY, INC.
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ORIGINAL SHEET NO. 11

TERMS AND CONDITIONS OF SERVICE

5. DISCONTINUANCE OF SERVICE (CONTINUED):

5.4.4 The Company shall send the notice of discontinuance of service to the Residential Customer and also to any third party previously designated by the Residential Customer upon request to the Company. (N.J.A.C. 14:3-3A.4).

5.4.5 The Company shall not discontinue service to any Residential Customer for up to 60 days if a medical emergency exists within the residential premises, which would be aggravated by a discontinuance of service, provided that the Residential Customer has: (i) provided reasonable proof of inability to pay; and (ii) submitted the requisite Medical Certificate to the Company, as well as any requisite re-certification after 30 days have elapsed. At the end of such period of emergency, the Residential Customer shall remain liable for payment of all services rendered. (N.J.A.C. 14:3-3A.2(i)). The Medical Certificate can be found on the Company's website at <https://www.aquaamerica.com/customer-service-center/forms.aspx>.

5.5 A Customer is responsible for payment of all undisputed charges. If a Customer disputes a charge, and after notice to the Company the dispute is unable to be resolved, the Customer has the right to make a request to the Board for an investigation of the disputed charge within five (5) business days after notice to the Company of the dispute. If such a request is not made within five (5) business days, the Customer's service may be discontinued for nonpayment in accordance with the Board's regulations. (N.J.A.C. 14:3-7.6).

5.6 The Company shall not discontinue service to Residential Customers involuntarily except between the hours of 8:00 a.m. and 4:00 p.m., Monday through Thursday, unless there is a safety-related emergency. There shall be no involuntary termination of service on Fridays, Saturdays, and Sundays or on the day before a New Jersey State holiday or on a New Jersey state holiday absent such emergency. (N.J.A.C. 14:3-3A.1(c))

5.7 The Company shall make every reasonable effort to determine if a landlord/tenant situation exists at the residential premises being served and to provide notice to tenants prior to discontinuance of service. Where feasible, the Company shall offer affected tenants continued service to be billed in the tenant's name. (N.J.A.C. 14:3-3A.6).

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ORIGINAL SHEET NO. 12

TERMS AND CONDITIONS OF SERVICE

5. DISCONTINUANCE OF SERVICE (CONTINUED):

5.8 **Service Restoration:** In cases where service has been discontinued at the Company's direction, as set forth herein, a charge for reconnection will be made as specified in Paragraph 3 herein, except where such discontinuance has been made by the Company in order to effectuate repairs, changes or improvements in any part of the Company's system.

6. DEFERRED PAYMENT AGREEMENTS:

6.1 Aqua will use good faith efforts to offer any Customer who is unable to pay an outstanding bill and/or deposit an opportunity to enter into at least one DPA per year. Customers who enter into a DPA for past due charges, however, are not relieved of the obligation to pay current bills on time. In the event that a Customer defaults on the terms of the DPA, Aqua New Jersey, Inc. may discontinue service upon due notice. (N.J.A.C. 14:3-7.7)

6.2 **Residential Customers.** Where a Residential Customer receives more than one service from Aqua (for example, water and sewer) and is in arrears as to both of those services, a separate DPA shall be offered for each service. In such situations, the Residential Customer may elect to enter into a DPA for one service and to discontinue the other service until satisfactory payment arrangements can be made so as not to add to the arrearage balance. The Company will renegotiate or amend the terms of an existing DPA upon satisfactory evidence provided by the Residential Customer that his or her financial circumstances have changed significantly due to factors beyond his or her control. Where a Residential Customer has DPAs for two services, default on one such DPA constitutes grounds for discontinuance of only that service. (N.J.A.C. 14:3-7.7).

6.3 **Non-Residential Customers.** DPAs will not be offered for a term of longer than three (3) months. (N.J.A.C. 14:3-7.7).

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AQUA NEW JERSEY, INC.
R.P.U. NO. 18 - WATER

ORIGINAL SHEET NO. 13

TERMS AND CONDITIONS OF SERVICE

7. METERS:

7.1 Upon Customer request, the Company will provide one free meter test per year. Where a billing dispute exists, the Customer may request that the meter test be witnessed by the Board or 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 an account is vacant or any other instance where the meter's accuracy might be an issue in a bill dispute. Upon application, a Customer may also request that his, her or its meter be tested by the Board. (N.J.A.C. 14:3-4.5).

7.2 Where a Customer has filed a complaint with the Board regarding meter accuracy or performance, Aqua shall not remove the Customer's meter from service during the pendency of said complaint, or during the thirty (30) days following the Board's decision on the complaint, unless otherwise authorized or directed by the Board (N.J.A.C. 14:3-4.8(c)).

7.3 Aqua shall make an adjustment of charges, to be determined consistent with N.J.A.C. 14:3-4.6, whenever a water meter is found to be registering fast by more than one and one-half percent.

8. EMERGENCY INTERRUPTIONS DUE TO EXTRAORDINARY DEMAND AND/OR DIMINISHED SUPPLY:

8.1 The Company endeavors to provide a regular and uninterrupted supply of water through its facilities to its Customers. However, if because of emergencies beyond Aqua's control, including but not limited to, governmental mandate, service is interrupted, irregular, restricted, defective or fails, the Company shall not be liable for any damage or inconvenience resulting therefrom. In the event of an emergency for 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 will provide Customers, by phone, with detailed information regarding the conditions and restrictions, and the purpose and probable duration of the usage restriction or service interruption, curtailment or discontinuance.

8.2 Aqua New Jersey, Inc. may restrict or interrupt water service during certain periods in order to protect the public water supply, or to otherwise comply with any regulations or orders issued pursuant to the Water Supply Management Act, N.J.S.A. 58:1A-1 *et seq.* The Company will provide notice and subsequent outage reports to the Board in accordance with N.J.A.C. 14:3-3.7, as appropriate.

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AQUA NEW JERSEY, INC.
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ORIGINAL SHEET NO. 14

TERMS AND CONDITIONS OF SERVICE

9. MULTI-USE SERVICE:

9.1 By applying for Multi-use service, the Customer agrees to be responsible for all claims, costs, and liability for personal injury, death and/or property damage, resulting from the Customer's individual water system, unless caused by the negligence of the Company. (N.J.A.C. 14:9-8.3(d)).

9.2 Terms of Payment: The Company may terminate a Customer's Multi-use service for non-payment of a valid water bill for Multi-use service, in accordance with the Board's rules governing discontinuance of service at N.J.A.C. 14:3-3A.4(j). (N.J.A.C. 14:9-8.3(b)).

9.3 Conditions: By applying for Multi-use service, the Customer or builder certifies that:

9.3.1 The Customer or builder has hydraulically calculated the demand for the Customer's or builder's water system, based on the simultaneous domestic demand and fire sprinkler demand. The Customer, or builder shall make this calculation in accordance with the Uniform Construction Code; and

9.3.2 The Customer or builder will ensure that the system is installed in accordance with the Uniform Construction Code at N.J.A.C. 5:23; and

9.3.3 The Customer will, prior to installation of the meter, obtain a construction permit in accordance with the Uniform Construction Code from the enforcing agency having jurisdiction over the system. (N.J.A.C. 14:9-8.3(c)).

9.4 Provision of Services: By applying for Multi-use service, and operating the same, the Customer agrees:

9.4.1 To include a backflow prevention device(s) as defined at N.J.A.C. 7:10-1.3, and as specified at N.J.A.C. 7:10-10.3;

9.4.2 To be solely responsible for all costs and expenses relating to the installation, operation, maintenance, repair and replacement of the Customer's water system, including the fire suppression system and backflow prevention device(s);

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ORIGINAL SHEET NO. 15

TERMS AND CONDITIONS OF SERVICE

9. MULTI-USE SERVICE (CONTINUED):

- 9.4.3 To ensure that the Customer's water system complies with the applicable requirements of the Uniform Construction Code in effect at the time of system installation, including any applicable building, plumbing and fire protection subcodes; and
- 9.4.4 To ensure that the Customer's water system is maintained in accordance with all applicable law so as to protect against backflow, back-siphonage and contamination of the potable water system. (N.J.A.C. 14:9-8.3(e)).

10. WATER SERVICE AND CONNECTING LINES

10.1 Company Side – Service Lines:

- 10.1.1 The Company is responsible for the installation and maintenance of the service line. N.J.A.C. 14 :3-8.1 et seq.
- 10.1.2 Only employees of the Company or persons duly authorized to do so by the Company are permitted to operate or otherwise access the curb stop.
- 10.1.3 No service line shall be used to supply more than one customer unless authorized in advance by the Company in writing.
- 10.1.4 Where two or more customers are supplied through a single service line, the customers must provide a suitable location(s) for a separate meter and separate shut-off valve that will be dedicated to each customer. The piping of the building must be so arranged that each customer can be supplied through an independent meter, shut off valve and piping system as may be required by the Company, at the Company's discretion. The meter pit or vault shall be installed at a location acceptable to, and with the express approval of, the Company.
- 10.1.5 No single building or single group of buildings in one common enclosure and under one ownership shall be supplied by more than one service line.

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By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

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AQUA NEW JERSEY, INC.
B.P.U NO. 18 - WATER

ORIGINAL SHEET NO. 16

TERMS AND CONDITIONS OF SERVICE

10. WATER SERVICE AND CONNECTING LINES (CONTINUED):

10.2 Customer Side – Connecting Lines:

10.2.1 Connecting lines are owned, installed, maintained and repaired by the customer at the customer's sole expense. The connecting line should be maintained in a condition conducive for the Company to perform the services required to serve the customer. If the connecting pipe is not so maintained, any failure of this pipe following the operation of the curb stop by the Company will be the responsibility of the customer. While performing its duties, if the Company notices that the connecting pipe or other customer owned and maintained appurtenances appear to be in poor condition, the Company will attempt to notify the customer of such, including that the customer may desire to contact a licensed plumber for a professional evaluation and/or repair of the connecting pipe and appurtenances. Failure to repair a leaking connecting line is grounds for discontinuance of water service. (N.J.A.C. 14:3-3A.1(a)5.x).

10.2.2 Connecting lines should be installed, without sharp bends, at right angles to the line of the street and shall be installed in the trench not less than 3-1/2 feet in depth to avoid damage and possible interruption to service caused by freezing. Other utility service lines shall not be installed in the same trench as the connecting line.

10.2.3 No attachment shall be made to the connecting line between the curb stop and the meter except as otherwise authorized by the Company. Unauthorized attachments are grounds for termination of service. (N.J.A.C. 14:3-3A.1(a)5.ii). Connecting lines should not be less than 3/4 inch in inside diameter.

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AQUA NEW JERSEY, INC.
B.P.U. NO. 18 - WATER

ORIGINAL SHEET NO. 17

TERMS AND CONDITIONS OF SERVICE

10. WATER SERVICE AND CONNECTING LINES (CONTINUED):

10.2.4 A Customer must install a water pressure reducing valve where required by State of New Jersey plumbing code. If a water pressure reducing valve is required to be installed, the customer must install a pressure relief valve (collectively both are referred to as the "Valves"). In all cases, the costs of installation and maintenance of the Valves shall be borne by the Customer. The Customer shall own and be obligated to maintain the Valves. The Company will not be liable for damage due to meter failures if the Customer is located in a high pressure zone and does not have a pressure reducing valve or has a pressure reducing valve downstream from a water meter that is installed inside the premises. For meters less than or equal to 2 inches the pressure reducing valve will be located on the downstream side of the meter if the meter is located outside of the Customer's premises and on the upstream side of the meter, if the meter is located inside of the Customer's premises. For meters greater than 2 inches the pressure reducing valve will always be located on the upstream side of the meter.

10.2.5 The Customer is required to make all changes in the connecting line due to changes in grade, relocation of mains, or other causes only if such changes are mandated by a municipality, county, state or other governmental body.

11. WATER MAIN EXTENSIONS:

11.1 The Company will extend water service in accordance with all applicable laws of the State of New Jersey and Board regulations and orders including N.J.A.C. 14:3-8.1 *et seq.* Upon request, an application will be provided to the applicant, which must be returned to the Company.

12. CUSTOMER'S PREMISES:

12.1 The Company may refuse to provide a water connection, or furnish water through a connection pipe already installed, when a customer's piping system is not installed in accordance with the regulations of the Company and of the municipality in which the premises are located; or when the system on the premises is not at sufficient depth to prevent freezing.

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40 Black Forest Road
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AQUA NEW JERSEY, INC.
B.P.U. NO. 18 - WATER

ORIGINAL SHEET NO. 18

TERMS AND CONDITIONS OF SERVICE

12. CUSTOMER'S PREMISES (CONTINUED):

12.2 The Company shall have the right of reasonable access to Customer's premises, and to all property furnished by the Company, at all reasonable times for the purpose of inspection of Customer's premises incident to the rendering of service, reading meters, or installing, relocating, inspecting, testing, replacing or repairing its facilities used in connection with supplying the service, or for the removal of its property. (N.J.A.C. 14:3-3.6). Service can be discontinued for refusal of reasonable access to the Customer's premises for necessary purposes in connection with rendering of service, including meter installation, reading or testing, installation, replacement or relocation of meter reading devices, or the maintenance or removal of the utilities property. (N.J.A.C. 14:3-3A.1(a)5.i). A charge for reconnection will be made as specified in Paragraph 3 herein upon restoration of service.

12.3 Customers shall not permit access to the meter and other appliances of the Company except by authorized employees of the Company or properly authorized state or local inspectors.

12.4 In all cases the Customers should not interfere with property of the Company, but should immediately notify the Company of any problem.

12.5 It is the sole responsibility of each Customer to ensure that all piping and appurtenances within a Customer's premises comply with state, municipal and other public health regulations in force with respect hereto including state and local plumbing codes. The piping and appurtenances shall be maintained in a condition conducive for the Company to perform the services required to serve the Customer.

12.6 In any premises where devices are used which might produce a back pressure, such as steam boilers, carbonation equipment for soft drinks, booster pumps, etc., a check valve shall be installed by the Customer at the meter. In the event such check valve is installed, pressure relief valves should be provided by the Customer in the system.

12.7 In any premises where an auxiliary water source is available, the pipes carrying water from the mains of the Company are required to be marked in some distinctive manner for ready identification.

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AQUA NEW JERSEY, INC.
B.P.U. NO. 18 - WATER

ORIGINAL SHEET NO. 19

TERMS AND CONDITIONS OF SERVICE

12. CUSTOMER'S PREMISES (CONTINUED):

12.8 Physical connections, such as cross-connections, interconnections, valves, pumps, or similar devices, either permanent or temporary, connecting the pipelines or facilities of the Company with other pipelines or facilities supplied with water from other sources will not be permitted without the express written consent of the Company. Water which has once been drawn from the Company's distribution network and used for any purpose or stored in tanks, is considered an unapproved source of supply.

12.9 The Company may require a cross-connection protective device on a customer's service, in accordance with N.J.A.C. 7:10-10, which shall be purchased and installed at the expense of the customer. The cross-connection device shall be of the type approved by the Company. Inspection and testing at intervals, in accordance to N.J.A.C. 7:10-10, shall be performed, at the expense of the customer.

12.10 No device or connection is permitted between pipes carrying water from the mains of the Company and any portion of the plumbing system of the premises, which may under any condition permit back-flow or back-siphonage unless prior written permission has been granted by the Company.

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AQUA NEW JERSEY, INC.
B.P.U. NO. 18 - WATER

ORIGINAL SHEET NO. 20

RATE SCHEDULE NO. 1
GENERAL METERED SERVICE

APPLICABILITY:

Applicable to the use of water supplied through meters to all customers served by the Company including those supplied through approved Multi-Use Services.

CHARACTER OF SERVICE: Continuous

RATE:

Size of Meter

	<u>Fixed Service Charge</u> <u>Amount Per Month</u>
5/8"	\$ 16.50
3/4"	24.75
1"	41.25
1-1/2"	82.50
2"	132.00
3"	247.50
4"	412.50
6"	825.00
8"	1,320.00
10"	1,897.50
12"	3,547.50
Bulk Water Purchase	31.08
Flat Rate for Unmetered Customers	
Residential	\$ 55.21
Commercial, Industrial, Other Water Utility, and Public	75.87

Usage Charge Rate/1000 Gallons

All Service Areas (Except as noted below)	\$ 6.452
Wallkill Only	4.528
Byram Township and Seaview Harbor Only	11.560
Non-Potable Water	1.290
Resale	6.442

*The above rates, excepting the Resale rate, include a water tax of \$0.01 per 1,000 gallons of water, which water tax was established by the State of New Jersey with the passage of the Safe Drinking Water Act. (N.J.S.A. 58:12A-21).

TERMS OF PAYMENT:

PAYMENT FOR ALL BILLS RENDERED IS DUE FIFTEEN (15) DAYS FROM THE BILL DATE. Bills for metered service will be rendered at the close of the billing period.

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AQUA NEW JERSEY, INC.
B.P.U. NO. 18 - WATER

ORIGINAL SHEET NO. 21

RATE SCHEDULE NO. 2
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
GENERAL METERED SERVICE

APPLICABILITY:

Applicable to the use of water supplied through meters to all Customers served by the Company.

CHARACTER OF SERVICE:

Continuous

RATE:

<u>Size of Meter</u>	<u>DSIC</u> <u>Amount Per Month</u>
5/8"	\$ 0.00
3/4"	0.00
1"	0.00
1 1/2"	0.00
2"	0.00
3"	0.00
4"	0.00
6"	0.00
8"	0.00
10"	0.00
12"	0.00

TERMS OF PAYMENT

PAYMENT FOR ALL BILLS RENDERED IS DUE FIFTEEN (15) DAYS AFTER THE ORIGINAL POSTMARK DATE OF THE BILL. The DSIC is assessed monthly for metered service, and is reflected on the Customer's bill rendered at the close of the billing period.

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10 Black Forest Road
Hamilton, NJ 08691

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AQUA NEW JERSEY, INC.
B.P.U. NO. 18 - WATER

ORIGINAL SHEET NO. 22

RATE SCHEDULE NO. 3
PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY:

Applicable to all Customers for service furnished exclusively to private fire protection facilities served by the Company, except as specifically provided elsewhere in this tariff.

CHARACTER OF SERVICE:

The Company will use due diligence at all times to provide Customers with service of the character or quality proposed to be supplied. However, if the service shall be interrupted, irregular, restricted, defective or fails, the Company shall not be liable for any damage or inconvenience resulting therefrom and is obligated only to use reasonably diligent efforts in the light of the circumstances then-existing to restore service.

RATE:

<u>Size of Service</u>	<u>Fixed Service Charge</u> <u>Amount Per Month</u>
Sprinklers	
2" or less	\$ 0.00
3"	96.40
4"	160.66
6"	321.32
8"	514.10
10"	739.02
12"	1,381.66
Private Hydrants (per hydrant)	\$ 41.28

TERMS OF PAYMENT:

PAYMENT FOR ALL BILLS RENDERED IS DUE FIFTEEN (15) DAYS AFTER THE ORIGINAL POSTMARK DATE OF THE BILL. Bills for metered service will be rendered at the close of the billing period.

SPECIAL PROVISIONS:

Private fire service lines shall be equipped with special meters or detection devices and are to be used exclusively for fire protection purposes. No water shall be used through these fire protection connections except for testing purposes or in case of fire. However, the Company shall be provided with at least 72 hours (or 3 days) notice prior to the testing of any fire protection connection and shall be given the opportunity to witness such testing.

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AQUA NEW JERSEY, INC.
B.P.U. NO. 18 - WATER

ORIGINAL SHEET NO. 22A

SPECIAL PROVISIONS (CONTINUED):

Customers desiring a separate service connection for private fire service are required to make separate written application for such service on forms prescribed by the Company. Private fire service installations must be made in accordance with the provisions of this tariff regarding the installation of service and connecting pipes and other facilities necessary for the provision of such service.

Service lines designated for private fire protection are installed for customers requiring a private fire service to supply sprinkler heads or hose connections. Any connection in which sprinkler heads and/or hose connections are supplied through a domestic service connection are not considered as part of a private fire protection service and shall not be subject to the requirements as set forth herein (i.e., limited fire protection). Residential Customers served by a 2-inch water service line or less in diameter will not be imposed a standby fee for a fire protection system.

The connection shall be in accordance with the applicable laws including but not limited to those of the BPU, NJ DEP and all federal, state and local agencies.

The Company shall not be liable for any loss, injury, casualty or damage resulting from fire or water, resulting from the supply or use of water service or the failure thereof, which may occur on account of the installation or presence of a private fire service connection, or from the presence or operation of the Company's structures, equipment, pipes, appliances or devices on the customer's premises, or connected therewith.

The Company may not discontinue fire protection service unless it has provided written notice giving the customer at least thirty (30) days' notice, by certified mail, prior to the proposed discontinuance. (N.J.A.C. 14:3-3A.4(j)). However, in case of fraud, illegal use, or when it is clearly indicated that the customer is preparing to leave, immediate payment of accounts may be required, and service may be discontinued without further notice.

When hydrants are attached between the main and the meter, a charge per hydrant will be made. The installation and maintenance of fire hydrants and the supplying of water through such hydrants is for the sole use of authorized fire-fighting personnel for the control and extinguishment of any fire.

No additional charge shall be made for water used in testing or for fire. However, should it be determined by Aqua that water is being, or has been, used through a fire protection connection for other than fire protection or testing purposes, the Company shall have the right to charge for the water used based on its "General Metered Service" tariff and to order said unauthorized use to cease immediately subject to the termination of the service.

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AQUA NEW JERSEY, INC.
B.P.U. NO. 18 - WATER

ORIGINAL SHEET NO. 23

RATE SCHEDULE NO. 4
PUBLIC FIRE PROTECTION SERVICE

APPLICABILITY:

This schedule is applicable to all municipal Customers served by the Company, for public fire protection service.

CHARACTER OF SERVICE:

The installation and maintenance of fire hydrants, and the supplying of water through such hydrants, is for the sole use of authorized fire-fighting personnel for the control and extinguishment of any fire. The Company will use due diligence at all times to provide Customers with service of the character or quality proposed to be supplied. However, if the service shall be interrupted, irregular, restricted, defective or fails, the Company shall not be liable for any damage or inconvenience resulting therefrom and is obligated only to use reasonably diligent efforts in the light of the circumstances then-existing to restore service.

RATE:

For each fire hydrant installed there shall be made a Monthly Fixed Fire Protection Charge of:

All Service Areas (Except as noted below)	\$ 53.65
Alpha Borough	23.28
Bayville Township	18.64
Califon Borough	51.23
Fredon Township	23.28
Hardyston Township	13.37
Holland Township – Church St.	51.23
Holland Township – Fox Hill Dr.	31.66
Lawrenceville Township	25.48
Tranquility Springs	46.57
Upper Freehold Township	30.74

For Byram Township only, the following Monthly Fixed Fire Protection Charge shall apply, per customer: \$5.34

TERMS OF PAYMENT:

PAYMENT FOR ALL BILLS RENDERED IS DUE FIFTEEN (15) DAYS AFTER THE ORIGINAL POSTMARK DATE OF THE BILL. Bills for metered service will be rendered at the close of the billing period.

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AQUA NEW JERSEY, INC.
B.P.U. NO. 18 - WATER

ORIGINAL SHEET NO. 23A

SPECIAL PROVISIONS:

All hydrants, lead valves, branches and other appurtenances shall be and remain the property of the Company.

Upon application or request by a duly authorized representative of a municipality in the Company's service area, the Company will install fire hydrants for purposes of public fire protection. The locations of such hydrants shall be selected upon agreement between the necessary municipal official(s) and representatives of the Company after careful consideration. Municipalities shall pay the Company a charge for service to public fire hydrants as provided in this tariff.

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EXHIBIT B
PROOF OF REVENUES

**Aqua New Jersey, Inc.
Settlement Rates
and Proof of Revenue**

Exhibit B
Page 1 of 5

Billing Determinants	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue	% Increase	
(1)	(2)	(3)	(4)	(5)	(6)	
Metered Sales						
<u>Main</u>						
Fixed		\$10,460,211		\$12,927,759	23.59%	
Usage	3,997,735	\$5.4093	\$21,624,948	\$6.452	\$25,793,386	19.276%
<u>Byram</u>						
Fixed		\$27,180		\$29,898	10.00%	
Usage	8,088	\$11.5600	\$93,497	\$11.560	\$93,497	0.00%
<u>Cliffside Park</u>						
Fixed		\$18,360		\$6,732	-63.33%	
Usage	1,648	\$0.0000	\$0	\$6.452	\$10,633	
<u>Seaview Harbor</u>						
Fixed		\$34,870		\$20,592	-40.95%	
Usage	7,171	\$8.9471	\$64,160	\$11.560	\$82,897	29.20%
<u>Tranquility Spr.</u>						
Fixed		\$12,437		\$12,078	-2.89%	
Usage	4,108	\$5.4093	\$22,221	\$6.452	\$26,505	
<u>Walkkill</u>						
Fixed		\$73,293		\$90,585	23.59%	
Usage	29,644	\$3.1778	\$94,203	\$4.528	\$134,228	42.49%
<u>Non-Potable</u>						
Fixed	6	\$333.75	\$2,003	\$412.50	\$2,475	23.60%
Usage	17,299	\$1.0813	\$18,705	\$1.29000	\$22,316	19.30%
DSIC	765,531	\$2.55	\$1,952,105	\$0.00	\$0	
Total Metered			\$34,498,193		\$39,253,581	13.78%

**Aqua New Jersey, Inc.
Settlement Rates
and Proof of Revenue**

Exhibit B
Page 2 of 5

Billing Determinants	(1)	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue	% Increase
		(2)	(3)	(4)	(5)	(6)
Public Fire						
Main	30,864	\$49.99	\$1,542,891	\$53.65	\$1,655,854	7.32%
Alpha Boro.	12	\$21.69	\$260	\$23.28	\$279	7.33%
Bayville	3,708	\$17.37	\$64,408	\$18.64	\$69,117	7.31%
Califon	312	\$47.74	\$14,895	\$51.23	\$15,984	7.31%
Redon Town.	228	\$21.69	\$4,945	\$23.28	\$5,308	7.33%
Holland, Church	240	\$47.74	\$11,458	\$51.23	\$12,295	7.31%
Holland, Fox Hill	48	\$29.50	\$1,416	\$31.66	\$1,520	7.32%
Lawrenceville	2,832	\$23.74	\$67,232	\$25.48	\$72,159	7.33%
Phillipsburg	2,568	\$49.99	\$128,374	\$53.65	\$137,773	7.32%
Upper Freehold	516	\$28.64	\$14,778	\$30.74	\$15,862	7.33%
Hyram (per cust)	1,812	\$5.34	\$9,676	\$5.34	\$9,676	0.00%
Tranquility Spr.	276	\$43.39	\$11,976	\$46.57	\$12,853	7.33%
Waukill	504	\$12.22	\$6,159	\$13.37	\$6,738	9.41%
Total Public			\$1,878,468		\$2,015,419	7.29%
Private Fire						
Main Hydrants	1,656	\$38.46	\$63,690	\$41.28	\$68,360	7.33%
3"	84	\$89.83	\$7,546	\$96.40	\$8,098	7.31%
4"	1,632	\$149.70	\$244,310	\$160.66	\$262,197	7.32%
5"	2,016	\$299.41	\$603,611	\$321.32	\$647,781	7.32%
8"	780	\$479.04	\$373,651	\$514.10	\$400,998	7.32%
10"	228	\$688.62	\$157,005	\$739.02	\$168,497	7.32%
12"	24	\$1,287.43	\$30,898	\$1,381.66	\$33,160	7.32%
Total Private			\$1,480,711		\$1,589,090	7.32%
Total Rate Revenue			\$37,857,373		\$42,858,090	13.21%

Aqua New Jersey, Inc.
Settlement Rates
and Proof of Revenue

Exhibit B
Page 3 of 5.

	Billing	Present	Present	Settlement	Settlement	%
	Determinants	Rate	Revenue	Rate	Revenue	Increase
	(1)	(2)	(3)	(4)	(5)	(6)
DETAIL						
Fixed Charges						
<i>MAIN</i>						
5/8"	530,674	\$13.35	\$7,084,504	\$16.50	\$8,756,128	23.60%
3/4"	67,357	\$20.03	\$1,349,161	\$24.75	\$1,667,086	23.56%
1"	12,300	\$33.38	\$410,574	\$41.25	\$507,375	23.58%
1 1/2"	3,936	\$66.75	\$262,728	\$82.50	\$324,720	23.60%
2"	7,884	\$106.81	\$842,090	\$132.00	\$1,040,688	23.58%
3"	480	\$200.25	\$96,120	\$247.50	\$118,800	23.60%
4"	288	\$333.75	\$96,120	\$412.50	\$118,800	23.60%
6"	204	\$667.50	\$136,170	\$825.00	\$168,300	23.60%
8"	168	\$1,068.00	\$179,424	\$1,320.00	\$221,760	23.60%
0"	0	\$1,535.25	\$0	\$1,897.50	\$0	23.60%
12"	0	\$2,870.25	\$0	\$3,547.50	\$0	23.60%
Bulk	132	\$25.15	<u>\$3,320</u>	\$31.08	<u>\$4,103</u>	23.58%
Subtotal			\$10,460,211		\$12,927,759	23.59%
<i>Byram</i>						
5/8"	1,812	\$15.00	\$27,180	\$16.50	\$29,898	10.00%
3/4"	-	\$0.00	\$0	\$24.75	\$0	-
1"	-	\$0.00	\$0	\$41.25	\$0	-
1 1/2"	-	\$0.00	\$0	\$82.50	\$0	-
2"	-	\$0.00	\$0	\$132.00	\$0	-
3"	-	\$0.00	\$0	\$247.50	\$0	-
4"	-	\$0.00	<u>\$0</u>	\$412.50	<u>\$0</u>	-
Subtotal			\$27,180		\$29,898	10.00%
<i>Cliffside Park</i>						
5/8"	408	\$45.00	\$18,360	\$16.50	\$6,732	-63.33%
3/4"	-	\$0.00	\$0	\$24.75	\$0	-
1"	-	\$0.00	\$0	\$41.25	\$0	-
1 1/2"	-	\$0.00	\$0	\$82.50	\$0	-
2"	-	\$0.00	\$0	\$132.00	\$0	-
3"	-	\$0.00	<u>\$0</u>	\$247.50	<u>\$0</u>	-
Subtotal			\$18,360		\$6,732	-63.33%

Aqua New Jersey, Inc.
Settlement Rates
and Proof of Revenue

Exhibit B
Page 4 of 5

Billing Determinants	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue	% Increase	
(1)	(2)	(3)	(4)	(5)	(6)	
<i>Seaview H.</i>						
5/8"	1,032	\$27.94	\$28,834	\$16.50	\$17,028	-40.94%
3/4"	-	\$41.91	\$0	\$24.75	\$0	-40.94%
1"	24	\$69.86	\$1,677	\$41.25	\$990	-40.95%
1 1/2"	12	\$139.71	\$1,677	\$82.50	\$990	-40.95%
2"	12	\$223.54	<u>\$2,682</u>	\$132.00	<u>\$1,584</u>	-40.95%
Subtotal			\$34,870		\$20,592	-40.95%
<i>Tranquility Spr.</i>						
5/8"	732	\$16.99	\$12,437	\$16.50	\$12,078	-2.88%
3/4"	-	\$25.49	\$0	\$24.75	\$0	-2.90%
1"	-	\$42.48	\$0	\$41.25	\$0	-2.90%
1 1/2"	-	\$84.95	\$0	\$82.50	\$0	-2.88%
2"	-	\$135.92	\$0	\$132.00	\$0	-2.88%
3"	-	\$254.85	\$0	\$247.50	\$0	-2.88%
4"	-	\$424.75	<u>\$0</u>	\$412.50	<u>\$0</u>	-2.88%
Subtotal			\$12,437		\$12,078	-2.89%
<i>Wallkill</i>						
5/8"	4,596	\$13.35	\$61,357	\$16.50	\$75,834	23.60%
3/4"	48	\$20.03	\$961	\$24.75	\$1,188	23.56%
1"	252	\$33.38	\$8,412	\$41.25	\$10,395	23.58%
1 1/2"	-	\$66.75	\$0	\$82.50	\$0	23.60%
2"	24	\$106.81	<u>\$2,563</u>	\$132.00	<u>\$3,168</u>	23.58%
Subtotal			\$73,293		\$90,585	23.59%

Source: Aqua NJ 9+3

**Aqua New Jersey, Inc.
Settlement Rates
and Proof of Revenue**

Exhibit B
Page 5 of 5

Billing Determinants	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue	% Increase
(1)	(2)	(3)	(4)	(5)	(6)

Summary

Metered Sales		\$34,498,193		\$39,253,581	13.78%
Public Fire		\$1,878,468		\$2,015,419	7.29%
Private Fire		\$1,480,711		\$1,589,090	7.32%
Miscellaneous		\$98,736		\$98,736	0.00%
Antennae		\$510,422		\$510,422	0.00%
TOTAL		\$38,466,531		\$43,467,248	13.00%
Target Difference				\$43,466,531 \$717	

Monthly Bill Impacts
(5/8" meter)

	(000 G./MO.)	Present	Settlement	Increase	%
Main	6.0	\$48.36	\$55.21	\$6.86	14.18%
Byram	4.5	\$69.15	\$68.10	(\$1.05)	-1.52%
Cliffside Park	4.0	\$45.00	\$42.56	(\$2.44)	-5.42%
Seaview Harbo	6.0	\$84.17	\$85.86	\$1.69	2.00%
Tranquility Spr.	6.0	\$52.00	\$55.21	3.22	6.19%
Walkill	5.0	\$31.79	\$39.14	\$7.35	23.12%