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RECEIVED  
CASE MANAGEMENT

JUN 28 2019

June 28, 2019

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

VIA HAND DELIVERY

Honorable Aida Camacho-Welch, Secretary  
Board of Public Utilities  
44 South Clinton Avenue, Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350

RECEIVED  
MAIL ROOM

JUN 28 2019

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

Re: In the Matter of the Petition of Mount Olive Villages Sewer Company, Inc. for  
Approval of an Increase in Rates for Sewer Service and Other Tariff Changes  
BPU Docket No. WR1906 0769

Dear Secretary Camacho-Welch:


Enclosed for filing please find an original and ten (10) copies, plus one additional copy, of a Petition, together with supporting exhibits and testimonies, submitted on behalf of Mount Olive Villages Sewer Company, Inc., initiating the above-referenced matter. Kindly stamp the additional copy "filed" and return in the enclosed self-addressed, stamped envelope.

Please note that Mount Olive Villages Water Company is simultaneously filing a similar Petition for an increase in rates. We would appreciate it if both the Mt. Olive Water and Mt. Olive Sewer cases could be processed together.

Thank you for your attention to this matter.

CMS  
Legal  
DAG  
RPA  
M. Kammer  
L. Lupo  
WATER(5)

Respectfully submitted,

  
Stephen B. Genzer

SBG/jg  
Enclosures  
cc: Attached Service List (w/encls., via reg. mail)

Stephen B. Genzer - Newark Managing Partner  
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DELAWARE FLORIDA ILLINOIS MARYLAND MASSACHUSETTS MINNESOTA NEW JERSEY NEW YORK PENNSYLVANIA WASHINGTON, DC

A DELAWARE LIMITED LIABILITY PARTNERSHIP

**SERVICE LIST**

In the Matter of the Petition of  
Mount Olive Villages Sewer Company, Inc. for Approval of an  
Increase in Rates for Sewer Service and Other Tariff Changes  
BPU Docket No. WR1906\_\_\_\_\_

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CASE MANAGEMENT

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BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

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MAIL ROOM

JUN 28 2019

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

IN THE MATTER OF THE PETITION  
OF MOUNT OLIVE VILLAGES SEWER  
COMPANY, INC. FOR APPROVAL OF  
AN INCREASE IN RATES FOR SEWER  
SERVICE AND OTHER TARIFF  
CHANGES

PETITION

BPU Docket No. WR1906 ~~0709~~

**TO: THE HONORABLE BOARD OF PUBLIC UTILITIES**

Petitioner, Mount Olive Villages Sewer Company, Inc. (hereinafter referred to as "Petitioner," "Mt. Olive Sewer" or the "Company") respectfully submits this Petition pursuant to N.J.S.A. 48:2-21, 48:2-21.2, 48:3-7.1 and N.J.A.C. 14:1-5.12, and shows that:

1. Mt. Olive Sewer is a corporation organized and existing under the laws of the State of New Jersey, with its principal offices located at 200 Central Avenue, Mountainside, New Jersey 07092. Communications relating to this Petition should be sent to Stephen B. Genzer, Esq., Saul Ewing Arnstein & Lehr LLP, One Riverfront Plaza, Suite 1520, 1037 Raymond Blvd., Newark, New Jersey 07102-5490, Elan Schwarz, Manager, Mt. Olive Villages Sewer Company, Inc., 200 Central Avenue, Mountainside, New Jersey 07092, and Gail P. Brady, GB Consulting Services, 49 Howell Drive, Verona, New Jersey 07044.

2. Mt. Olive Sewer is a duly organized and existing public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities (hereinafter referred to as "BPU" or "Board"). The Company is engaged in the business of collecting and treating sewage for a portion of the Township of Mount Olive, Morris County. The Company owns and

operates a collection and treatment system for these purposes, serving a population of about 5,000 people living in three apartment complexes, a townhouse community, and single-family homes, as well as several municipal/non-residential buildings.

3. By this Petition, the Company seeks approval of the following leases and contracts between Mt. Olive Sewer and Related Parties (attached hereto as Exhibit H):

- Mount Olive Complex and Mt. Olive Sewer – Lease of land for spray fields;
- Hensyn, Inc. and Mt. Olive Sewer – Accounts payable, payroll, customer bill payments and bookkeeping/clerical related to these services;
- Hensyn, Inc. and Mt. Olive Sewer – Lease of garages for office space and storages;  
and
- Manchester Gardens, Inc. and Mt. Olive Sewer – Lease of a truck.

Similar requests are being made for approval from these related entities on behalf of Mt. Olive Villages Water Company within its simultaneously filed Petition.

4. This Petition, in order to accommodate current BPU practices and the capacity of this small utility, uses a calendar 2018 Test Year, including annualized specific changes through the first quarter of 2019, a period preceding the filing of this Petition by nearly 3 months. Expense increases in several categories have occurred since the rates were last calculated based upon a 2015 Test Year, pursuant to the Order in BPU Docket No. WR16050391.

5. The Company is operating at a loss, while continuing to providing its customers with safe, adequate and proper service. However, the Company is constrained from accomplishing more than it has since it cannot meet its necessary financial obligations. These realities are detailed in the Testimony of Gail P. Brady, attached hereto as Exhibit PT-1. Even

with the proposed increase, due to the most recent test year practical for a company of this size, and without some appropriate regulatory treatment, the Company's financial condition will be jeopardized, as would its continued ability to render safe, adequate and proper service to its customers. The total revenue from rates resulting from this case will not exceed the Company's expenses, depreciation and taxes during any relevant foreseeable or imminent period of time.

6. It is hoped that, if adopted, the additional revenues requested will enable Petitioner to achieve a satisfactory cash flow position, to preserve to the greatest extent possible its current financial position, to permit proper maintenance and operation, and to furnish continued safe, adequate and proper service to its customers. It is hoped that these additional revenues will encourage continued good management, provide an incentive for efficiency, mitigate confiscation or diminution of its property, and begin to compensate for the use of the fair value of property used and useful in the public service. As more specifically described in Mrs. Brady's Testimony at PT-1, and as shown by the attached financial exhibits, there is no rate of return calculation provided. However, pursuant to N.J.S.A. 48:2-21 and 48:2-21.2, Petitioner is requesting a 10% operating and maintenance annual contingency of \$66,704 (see P-1, Schedule 2), in order to reflect the inevitable needs of the Petitioner during the period the rates resulting from this Petition will remain in effect, or at the very least, during the remainder of 2019 and 2020.

7. Petitioner's present rates for sewer service are inadequate to meet such necessary expenses, support the Company's operations and provide the Petitioner with a reasonable operating cushion. Without an appropriate increase the Petitioner's ability to continue to render safe, adequate and proper service to the public will be endangered. Even with the proposed increase, due to the most recent test year practical for a company of this size, combined with

current regulatory practices, the total revenue from rates resulting from this case will not exceed the Company's expenses, depreciation and taxes during any relevant foreseeable period.

8. Petitioner notifies the Board that, for the reasons stated above, it seeks approval to increase its rates for sewer service, as provided in Exhibit D attached hereto, for service rendered on and after August 1, 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 May 1, 2020, on an interim basis, subject to refund, 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 rate prior to that date.

9. Petitioner's rates are being increased for the purpose of producing additional annual revenues of \$215,865 or approximately 33.12% above the adjusted annual level of revenues for the Test Year which ended December 31, 2018. This calculates to an increase of approximately \$16.10 per month for an average single-family or townhouse customer. This requested increase is proposed to be implemented across-the-board to apply to all customer classes and charges.

10. Notice of this filing, a copy of this Petition, and all other annexed exhibits are being served upon the Municipal Clerk in the Township of Mount Olive, the municipality in which the Petitioner provides service, the Clerk of the Board of Chosen Freeholders of Morris County and, in duplicate, upon the Department of Law and Public Safety and the Division of Rate Counsel. Pursuant to the Board's regulations, 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 the Township of Mount Olive upon the setting of a hearing date.



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

12. Annexed hereto and made a part hereof as if fully set forth herein are the following exhibits:

Exhibit A - Balance Sheets – For the Years 2016, 2017 and 2018.

Exhibit B - Income Statements for the Years 2016, 2017 and 2018.

Exhibit C - Balance Sheet – December 31, 2018.

Exhibit D - Current Tariff (D-1) and Proposed Tariff (D-2).

Exhibit E - Income Statements - 2017 Actual, 2018 Actual and Test Year at Present and Proposed Rates.

Exhibit F - Proposed Form of Notice.

Exhibit G - Schedule of payments to related entities.

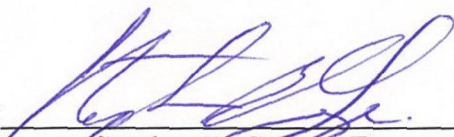
Exhibit H - Copies of leases, rental agreements and contracts requested for *nunc pro tunc* approval by the NJBPU.

This Petition is also supported by the Testimony of Gail P. Brady (attached as PT-1, with referenced Schedules attached as Exhibit P-1), and the Testimony of Elan Schwarz (attached as PT-2).

WHEREFORE, Petitioner respectfully requests that the proposed increase in rates be approved pursuant to N.J.S.A. 48:2-21, and/or N.J.S.A. 48:2-21.2, that the Board specifically approve the various Related Party Contracts referred to herein pursuant to N.J.S.A. 48:3-7.1, and that such other relief as is just and proper be granted by the Board.

Respectfully submitted,

Saul Ewing Arnstein & Lehr LLP  
Attorneys for Petitioner  
Mount Olive Villages Sewer Company, Inc.

By:   
Stephen B. Genzer, Esq.

Dated: June 28, 2019

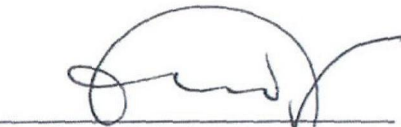


VERIFICATION

STATE OF NEW JERSEY )  
  :  
COUNTY OF MORRIS     )

Henry Schwarz, of full age, being duly sworn, upon his oath deposes and says:

1. I am President of Mount Olive Villages Sewer Company, Inc., and in that capacity I am authorized to make this Verification on behalf of Mount Olive Villages Sewer Company, Inc. in this matter.
  
2. I have reviewed the within Petition and exhibits thereto, and the same are true and correct to the best of my knowledge, information and belief.
  
3. I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

  
\_\_\_\_\_  
Henry Schwarz

Sworn to and subscribed before me  
this 25<sup>th</sup> day of June, 2019.

  
\_\_\_\_\_  
Notary Public

My commission expires **KAREN ROTHSTEIN**  
**NOTARY PUBLIC OF NEW JERSEY**  
My Commission Expires June 24, 2023