

State of New Jersey

Board of Public Utilities

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

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

Lake Lenape Water Company, a corporation and public utility of the State of New Jersey, with its' principal office at 83 Eagle Chase, Woodbury, County of Nassau, State of New York, pursuant to N. J. S. A. 48:2-21, hereby petitions the Honorable Board of Public Utilities for approval to revise and increase its' rates for water service to become effective Oct. 1, 2020, a date at least thirty (30) days after the filing of this petition at the Office of the Secretary of the Board of Public Utilities.

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

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

4. The reasons for the proposed increase of rates are as follows:

- (a) To eliminate operating losses.
- (b) To enable the Petitioner to meet increased operating expenses and decreased revenue, to establish its financial integrity.
- (c) To enable the Petitioner to continue to furnish safe, adequate and proper service to its' customers.

5. The following data required by the Board's Rules of Practice are attached Hereto as exhibits:

Schedule No.	Description
1.	Comparative Balance Sheets for the Three Years Ended Dec. 31, 2017, 2018, 2019
2.	Schedule of Operation and Maintenance Expenses for the Three Years Ended Dec. 31, 2017, 2018, 2019
3.	Summary of Earnings as of Dec. 31, 2017, 2018, 2019 And Rate Base Dec. 31, 2019
4.	Actual Expenses as of Dec. 31, 2019, Projected Expenses for The Calendar Year 2020, and Revenue Requirements for 2020
5.	Proposed Rates for 2020

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

Proposed increases in rates are just and reasonable.

Respectfully submitted,

Jeffrey Fuller
President
Lake Lenape Water Company

DATED: July 1, 2020

Lake Lenape Water Co.

Comparative Balance Sheets for the Three

Years Ended Dec. 31, 2017, 2018, 2019

Acct. No.	Assets and Other Debits	2017	2018	2019
101-03	Utility Plant	\$360,950	\$378,669	\$380,553
110	Accum. Provision for Depreciation	266,332	274,977	283,671
	Net Utility Plant	<u>94,618</u>	<u>103,692</u>	<u>96,882</u>
131	Cash	4,959	13,920	7,087
141	Notes Rec.	17,603	17,603	17,603
142	Customer Accounts Rec.	2,426	3,794	3,283
143	Other Accts Rec.	64,000	64,000	64,000
	Total Current Assets	<u>88,988</u>	<u>99,317</u>	<u>91,973</u>
124	Other Investments	127,874	121,597	128,342
	Total Assets & Other Debits	<u>311,480</u>	<u>324,606</u>	<u>317,197</u>
	Liabilities and Other Credits			
201	Common Capital Stock	25,500	25,500	25,500
216	Unappropriated Earned Surplus	192,358	198,471	205,226
	Total Proprietary Capital	<u>217,858</u>	<u>223,971</u>	<u>230,726</u>
231	Notes Pay.	24,662	41,068	29,192
232	Accounts Payable	15,627	6,597	5,000
236	Taxes Accrued	19,351	18,988	18,297
	Total Current & Accrued Liabilities	<u>59,640</u>	<u>66,653</u>	<u>52,489</u>
271	Contributions in Aid of Construction	33,982	33,982	33,982
	Total Liabilities & Other Credits	<u>\$311,480</u>	<u>\$324,606</u>	<u>\$317,197</u>

Lake Lenape Water Company

Schedule of Operation and Maintenance

Expenses for the Three Years Ended

Dec. 31, 2017, 2018, 2019

Acct. No	Operation and Maintenance Expenses	2017	2018	2019
	Operation/Maint. Labor	\$ 7,750	\$ 7,500	\$ 7,500
	Power Purchased	9,531	10,008	9,135
	Maintenance of Pump. Plant	40,731	50,260	32,124
	Total Pumping Expenses	<u>58,012</u>	<u>67,768</u>	<u>48,759</u>
901	Meter Reading Labor	1,400	1,400	1,400
	Administration and General expenses			
920	Admin. & General Salaries	13,560	13,560	13,560
921	Office Supplies	19,780	22,181	21,602
923	Outside Services	-	-	-
924	Insurance	13,176	12,793	12,251
926	Employee Pensions	-	-	-
930	Misc. General Expenses-Rent	4,620	4,620	4,620
928	Regulatory Commission Exp.	6,050	6,108	6,114
	Total Operation & Maintenance Expenses	<u>\$ 116,598</u>	<u>\$ 128,430</u>	<u>\$ 108,306</u>
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Lake Lenape Water Company
 Summary of Earnings as of Dec. 31, 2017, 2018, 2019
 and Rate Base Dec. 31, 2019

Acct. No.	# Customers	2017	2018	2019	Projected 2020
	Metered Sales to Gen. Customers	352	353	354	354
	Operating Revenues				
461	Metered Sales to Gen. Customers	\$ 146,052	\$ 141,085	\$ 138,575	\$ 138,575
474	Other Water Revenues-Hydrants	780	-	-	-
	Total Operating Revenues	<u>146,832</u>	<u>141,085</u>	<u>138,575</u>	<u>138,575</u>
	Operating Expenses				
401	Operation Expense	68,117	72,321	72,131	74,253
402	Maintenance Expense	48,481	56,109	36,175	37,635
403	Depreciation	8,184	8,645	8,694	8,694
408	Taxes other than Income	20,589	20,302	19,459	21,340
409	Income Taxes	1,676	(405)	-	-
	Total Operating Expenses	<u>147,047</u>	<u>156,972</u>	<u>136,459</u>	<u>141,922</u>
	Operating Income	\$ (215)	\$(15,887)	\$ 2,116	\$(3,347)
Rate Base					
	Utility Plant - 12/31/19	\$ 380,553			
	Accum. Depreciation	(283,671)			
	CIAC	(33,982)			
	Working Capital	<u>11,000</u>			
	Rate Base	\$ 73,900			

Lake Lenape Water Company

Actual Expenses as of Dec. 31, 2019

Projected Expenses for the Calendar Year 2020

Requirements for 2020

Operation and Maintenance Accounts	Actual 12/31/19	Projected 12/31/20
Operation Labor	\$ 7,500	\$ 8,100
Power Purchased	9,135	9,410
Maintenance of Pump. Plant	28,675	29,535
Admin. And General Expenses-Salary	13,560	14,160
Office Supplies and Expense	7,048	7,260
Outside Services-Accounting	2,400	2,500
Insurance	12,251	12,619
Regulatory Commission Expenses	6,114	6,298
Rent	4,620	4,620
Transportation	1,193	1,193
Meter Reading	1,400	1,500
Testing	4,849	4,849
Interest Exp	2,624	2,624
Depreciation Expense	8,694	8,694
Taxes-Other		
Excise	1,572	1,730
Gross Receipts	10,393	11,432
Franchise	6,332	6,965
Real Estate	9,441	9,724
Payroll	1,162	1,213
NJPWT	120	120
Total Operating Expenses	<u>\$139,083</u>	<u>\$ 144,546</u>
Income taxes	1,060	2,345
Allowable Return on Rate Base- 9 %		6,651
Required Revenue- 2020		<u>\$ 153,542</u>
Operating Revenue- 2020 Projected		138,575
Required Increase in Operfating Revenue - 10.8%		<u>\$ 14,967</u>

Lake Lenape Water Company
Proposed Rates for 2020 for Water Service

METERED RATE SERVICE

1. There will be a Fixed Service Charge of \$31.90 per quarter for each customer.
2. In addition to the Fixed Service Charge, there will be a charge of \$7.05 per Thousand gallons used during the quarter.
3. A finance charge of 1 ½% per month shall be charged on all valid unpaid balances of Customers.

FIRE PROTECTION

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