



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

WATER

IN THE MATTER OF THE PETITION OF LAKE)	ORDER ADOPTING INITIAL
LENAPE WATER COMPANY FOR AN)	DECISION/STIPULATION OF
INCREASE IN RATES AND CHARGES FOR)	SETTLEMENT
WATER SERVICE)	
)	BPU DOCKET NO. WR20070490
)	OAL DOCKET NO. PUC 09623-2020S

Parties of Record:

Jeffrey Fuller, President Pro Se, on behalf of Lake Lenape Water Company, Petitioner
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On July 23, 2020, pursuant to N.J.S.A. 48:2-21 and N.J.A.C.14:1-5.12, Lake Lenape Water Company (“Lake Lenape,” “Company” or Petitioner”), a public utility of the State of New Jersey, with its principle offices at 83 Eagle Chase, Woodbury, County of Nassau, State of New York, that provides Water service to approximately 357 metered residential customers in a portion of the Township of Andover, Sussex County, New Jersey, subject to the jurisdiction of the Board of Public Utilities, (“Board”), filled a petition seeking Board approval to increase its rates and charges for water service amounting to \$14,967 or 10.8%.

BACKGROUND/PROCEDURAL HISTORY:

Petitioner filed the petition pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-15.12. On September 18, 2020, the Board transmitted the matter to the Office of Administrative Law (“OAL”) as a contested case and the matter was assigned to Administrative Law Judge (“ALJ”) Gail Cookson. On September 9, 2020 the Board issued an Order suspending increases, changes or alterations in rates for service until February 1, 2021.

On December 15, 2020, ALJ Cookson convened a pre-hearing conference in which the Company, the New Jersey Division of Rate Counsel (“Rate Counsel”) and Board Staff (collectively, “Signatory Parties”) all participated. During the prehearing conference, the dates and times for the public hearings and evidentiary hearings were scheduled.

After the appropriate public notice, virtual public hearings were held in the Petitioner's service territory at 4:30 p.m. and 5:30 p.m. on February 10, 2021 and February 11, 2021. The public hearings were presided over by ALJ Gail Cookson. A total of six members of the public spoke at the hearing and provided comments opposing the proposed rate increase. The comments at the public hearings were transcribed and made part of the record for this public proceedings. The Board also received written comments opposing the proposed rate increase from the Township of Andover and two residential customers.

STIPULATION OF SETTLEMENT:

During the course of the proceeding, the Petitioner was served with and responded to discovery questions by both Rate Counsel and Board Staff. A virtual discovery and settlement conference was held on March 5, 2021. After the analysis of the petition and exhibits, the discovery responses, as well further negotiations in this matter, the Signatory Parties reached a Stipulation of Settlement ("Stipulation") and do hereby stipulate the following:

- a. The year ended December 31, 2019, adjusted for known and measurable changes is a reasonable and proper test year period.
- b. It is stipulated and agreed that the Petitioner's rate base is \$75,658 and that a fair overall rate of return of 8.50%, which reflects a cost rate for common equity of 7.40%.
- c. The Petitioner's required operating revenue is \$149,511. The Petitioner's pro forma present revenues are \$138,575 which, when subtracted from the total revenue requirement, necessitates a revenue increase of \$10,936, representing an overall percentage increase of 7.89% over pro forma present operating revenues. The revenue requirement, to which the Signatory Parties have stipulated, is necessary to ensure that the Petitioner will continue to provide safe adequate and proper water service to its customers.
- d. Attached as Exhibit A to the Stipulation are new tariff sheets containing rates and charges conforming to this Stipulation and designed to produce the additional annual revenues to which the Signatory Parties have stipulated.
- e. Attached as Exhibit B to the Stipulation is a schedule demonstrating that the new rates will produce the stipulated revenues to which the Signatory Parties have agreed to.
- f. The revenue requirement calculation is based on recovering revenue from all of the Company's customers of record based on rates contained in the Company's tariff as approved by the Board. The failure by customers to provide payment for utility service rendered by the Company pursuant to its tariffs has the effect of reducing the Company's revenues, increasing the number of rate filings, and the potential to impair the Company's ability to provide safe, adequate and proper service. For these reasons, the Petitioner agrees that it will review all of the utility services it provides pursuant to its tariffs, and collect the Board-approved rates from those customers receiving service, or if payment is not received, then to initiate the appropriate actions as allowed by the Company's tariff and the Board's regulations regarding discontinuation of service.

- g. The Petitioner will file a new tariff with the Board, with copies to the Signatory Parties, in conformity with the Stipulation, to become effective on the date of a fully executed Board Order.

On April 16, 2021, ALJ Cookson issued an Initial Decision in this matter, recommending adoption of the Stipulation executed by the Signatory Parties, finding they had voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues and is consistent with the law. No exceptions were received by the Board.

DISCUSSIONS AND FINDINGS:

Having reviewed the 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. 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 to the Stipulation, as if they were fully set forth at length herein.

The Board **HEREBY ACCEPTS** the tariff pages attached to the Stipulation as filed with the Board, which shall become effective for service rendered on or after May 29, 2021, as shown on Exhibit A to the attached Stipulation.

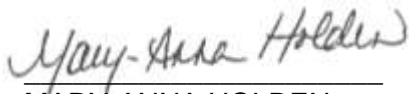
This Order shall be effective on May 24, 2021.

DATED: May 19, 2021

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE PETITION OF LAKE LENAPE WATER COMPANY FOR AN
INCREASE IN RATES AND CHARGES FOR WATER SERVICE.

BPU DOCKET NO. WR20070490
OAL DOCKET NO. PUC 09623-2020S

SERVICE LIST

<p>Jeffrey Fuller, President, Lake Lenape Water Company 83 Eagle Chase Woodbury, NJ 11797 jmf1294@yahoo.com</p> <p>Division of Rate Counsel 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003</p> <p>Stefanie A. Brand, Esq., Director Division of Rate Counsel sbrand@rpa.nj.gov</p> <p>Susan McClure, Esq. Assistant Deputy Rate Counsel smcclure@rpa.nj.gov</p> <p>Department of Law and Public Safety Division of Law Public Utilities Section R.J Hughes Justice Complex, 7th Floor West 25 Market Street, Post Office Box 112 Trenton, NJ 08625</p> <p>Pamela Owen Assistant Section Chief pamela.owen@law.njoag.gov</p> <p>Meliha Arnautovic Deputy Attorney General meliha.arnautovic@law.njoag.gov</p> <p>Brandon Simmons Deputy Attorney General brandon.simmons@law.njoag.gov</p>	<p>Board of Public Utilities 44 South Clinton Avenue, 9rd Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Aida Camacho-Welch Secretary of the Board Board.secretary@bpu.nj.gov</p> <p>Michael Kammer, Director Division of Water mike.kammer@bpu.nj.gov</p> <p>Megan Lupo, Bureau Chief Division of Water megan.lupo@bpu.nj.gov</p> <p>Suzanne Patnaude, Esq. Senior Counsel Office of the Chief Counsel suzanne.patnaude@bpu.nj.gov</p> <p>Yanina Lepore, Principal Engineer Division of Water yanina.lepore@bpu.nj.gov</p>
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State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION SETTLEMENT

OAL DOCKET NO. PUC 09623-20

AGENCY DKT. NO. WR20070490

**IN THE MATTER OF THE PETITION
OF LAKE LENAPE WATER COMPANY
FOR APPROVAL OF AN INCREASE IN
RATES AND CHARGES FOR WATER
SERVICE.**

Jeffrey Fuller, President, pro se, for petitioner Lake Lenape Water Company

Meliha Arnautovic, Deputy Attorney General, for Staff of the Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey, attorneys)

Susan E. McClure, Esq., Assistant Deputy Rate Counsel, for the Division of Rate Counsel (Stefanie A. Brand, Director)

Record Closed: April 7, 2021

Decided: April 16, 2021

BEFORE GAIL M. COOKSON, ALJ:

On or about July 23, 2020, Lake Lenape Water Company (Company) filed a petition for an increase in its rates and charges for water service with the New Jersey Board of Public Utilities (BPU or Board). On or about October 14, 2020, the Board transmitted the matter to the Office of Administrative Law (OAL) for hearing as a contested case pursuant to N.J.S.A. 52:14B-1 to-15 and N.J.S.A. 52:14F-1 to- 13.

The matter was assigned to the undersigned who conducted the initial case management conference on December 15, 2020, during which discovery and hearing procedures were discussed. Several case management conferences have been convened in the intervening period of the ongoing discovery. Prior to the scheduling of any hearing dates, the parties advised that they had reached a tentative resolution of the issues in dispute. Accordingly, no plenary hearing dates were established.

In fulfillment of the Agreement, the parties submitted under cover of April 7, 2021, a fully executed Stipulation, which is attached hereto and made part hereof. It resolves this rate proceeding to the full satisfaction of the parties. Accordingly, and on that basis, I have reviewed the record and terms of the Stipulation and **FIND**:

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

I **CONCLUDE** that the agreement meets the requirements of N.J.A.C. 1:1-19.1 and therefore, it is **ORDERED** that the matter be deemed dismissed with prejudice and that these proceedings be and are hereby concluded.

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 (45) 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.



April 16, 2021

DATE

GAIL M. COOKSON, ALJ

Date Received at Agency:

4/20/21

Date Mailed to Parties:
id

4/20/21

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION
OF LAKE LENAPE WATER CO. FOR AN
INCREASE IN RATES AND CHARGES FOR
WATER SERVICE

BPU Docket No. WR20070490
OAL Docket No. PUC 09623-2020 N

STIPULATION

APPEARANCES:

Jeffrey Fuller, President, Pro Se, on behalf of Lake Lenape Water Company

Susan E. McClure, Esq., Assistant Deputy Rate Counsel for the Division of Rate
Counsel (Stephanie A. Brand, Esq., Director, Division of Rate Counsel);

Meliha Arnautovic, Deputy Attorney General, for the Staff of the Board of Public Utilities
(Gurbir S. Grewal Attorney General of New Jersey)

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

BACKGROUND/PROCEDURAL HISTORY

Petitioner, Lake Lenape Water Company (hereinafter referred to as "Petitioner" or "Company") is a public utility of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities ("Board") and franchised to provide water service in a portion of the Township of Andover, Sussex County, New Jersey.

On July 23, 2020, Petitioner filed a petition with the Board, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12 seeking to increase its rates and charges for water service. Petitioner requested increased revenues of \$14,967, representing an increase of approximately 10.8% over pro forma, present rate revenues.

On September 18, 2020 the Board transmitted the matter to the Office of Administrative Law ("OAL") as a contested case and the matter was assigned to Administrative Law Judge ("ALJ") Gail

Cookson. On September 9, 2020 the Board issued an Order suspending increases, changes or alterations in rates for service until February 1, 2021.

On December 15, 2020, ALJ Cookson convened a pre-hearing conference in which the President of the Company, Jeffrey Fuller, and the statutory parties to this case, the New Jersey Division of Rate Counsel (“Rate Counsel”) and Board Staff participated (“Signatory Parties”). During the pre-hearing conference, the dates and times for the public hearings and evidentiary hearings were scheduled. After appropriate public notice, virtual public hearings were held in Petitioner’s service territory at 4:30 p.m. and 5:30 p.m. on February 10, 2021 and February 11, 2021 via Zoom.. The public hearings were presided over by the Honorable Gail Cookson, ALJ. A total of six (6) members of the public spoke at the virtual public hearings, and provided comments opposing the magnitude of the Company’s proposed rate increase. The virtual public comment hearings were transcribed and made a part of the record of this proceeding.

During the course of this proceeding, Petitioner was served with, and responded to, extensive discovery requests by Rate Counsel and by Board Staff. A virtual discovery and settlement conference was held on March 5, 2021. As a result of an analysis of the petition and exhibits, Petitioner’s responses to discovery propounded by the Rate Counsel and Board Staff, as well as their discussions and negotiations in this matter, the Signatory Parties have reached a Stipulation of Settlement (“Stipulation”) and do hereby stipulate the following:

STIPULATED MATTERS

- (1) The year ended December 31, 2019, adjusted for known and measurable changes, is a reasonable and proper test year period.
- (2) It is stipulated and agreed that Petitioner’s rate base is \$75,658 and that a fair overall rate of return thereon is 8.50%, which reflects a cost rate for common equity of 9.6%
- (3) (3) Petitioner’s required Operating revenue is \$149,511. Petitioner’s pro forma present rate revenues are \$138,575 which, when subtracted from the total revenue requirement, necessitates a revenue increase of

\$10,936, representing an overall percentage increase of 7.89% over pro forma present operating revenues. The revenue requirement to which the Signatory Parties have stipulated herein, is necessary to ensure that Petitioner will continue to provide safe, adequate and proper water service to its customers.

- (4) Attached hereto as Exhibit A are new tariff sheets containing rates and charges conforming to this Stipulation and designed to produce the additional annual revenues to which the Signatory Parties have stipulated herein.
- (5) Attached hereto as Exhibit B is a schedule demonstrating that the new rates will produce the stipulated revenues to which the Signatory Parties have agreed.
- (6) The revenue requirement calculation is based on recovering revenue from all of the Company's customers of record based on rates contained in the Company's tariff as approved by the Board. The failure by customers to provide payment for utility service rendered by the Company pursuant to its tariffs has the effect of reducing the Company's revenues, increasing the number of rate filings, and the potential to impair the Company's ability to provide safe, adequate and proper service. For these reasons, Petitioner agrees that it will review all of the utility services it provides pursuant to its tariffs, and collect the Board-approved rates from those customers receiving service, or if payment is not received, then to initiate the appropriate actions as allowed by the Company's tariff and the Board's regulations regarding discontinuation of service.
- (7) Petitioner will file a new tariff with the Board, with copies to the Signatory Parties, in conformity with this Stipulation, to become effective on the date of a fully executed Board Order.

MISCELLANEOUS

This Stipulation applies only to this proceeding and is thus executed by the Signatory Parties without prejudice to the positions asserted by each in this case and without prejudice to the positions which the Signatory Parties may choose to assert in future proceedings. The Signatory Parties fur-

ther agree that the purpose of this Stipulation is to reach fair and reasonable rates and to conclude pending litigation. This Stipulation is not in any way intended to restrict or bind any of the Parties hereto with respect to substantive positions they may choose to assert in any pending or future rate proceeding in this or any other forum. Therefore, the Signatory Parties acknowledge that the Stipulation herein has been made exclusively for this proceeding before the OAL and Board.

In the event of any modification, amendment or alteration of this Stipulation by the Board, the Signatory Parties individually reserve the right to either deem the Stipulation void in total (in which case the Signatory Parties would revert to the status quo prior to the execution of this Stipulation, which in this matter would be submission of testimony and proceeding with evidentiary hearings) or to consent to the modification(s) in writing.

This Stipulation may be executed in as many counterparts as there are signatories to this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument consisting of several counterparts.

The Signatory Parties acknowledge that any increase or resolution of any issues agreed to in this Stipulation, shall become effective upon service of the Board Order on all parties of record unless a later date is indicated in the Order.

Dated:

LAKE LENAPE WATER COMPANY

By: Jeffrey Fuller

Jeffrey Fuller

President

Dated: April 7, 2021

NEW JERSEY DIVISION OF RATE COUNSEL

Stephanie A. Brand, Esq.

Director, Division Rate Counsel

By: Susan E. McClure

Susan E. McClure, Esq.

Assistant Deputy Rate Counsel

Dated:

GURBIR S. GREWAL

ATTORNEY GENERAL OF NEW JERSEY

Attorney for the Staff of the New Jersey Board
of Public Utilities

Dated:

By: Melika Arnautovic

Melika Arnautovic

Deputy Attorney General

Exhibit A

LAKE LENAPE WATER CO.
B.P.U. No. –Water

ORIGINAL SHEET NO.5

Rate Schedule No.

General Metered Service

Applicable to use for service for:

All residential and commercial service through entire territory served by this company

Character of Service:

All water service shall be continuous

:

Rate:

Consumption Charges

*The consumption charges shall be
\$6.86per 1000 gallons

Service Charges

The service charge shall be \$31.06
per quarter

Type Meter

5/8”

Whenever service to a customer is established or discontinued during a billing period, the fixed service charge will be prorated on a daily basis to the date when service is established or discontinued to such customer.

Terms and payment

Net payment within fifteen (15) days of receipt of the bill for general metered service. Bills are rendered in arrears once in each calendar quarter.

*The State of New Jersey enacted ch. 443 of the Laws of New Jersey 1983 concerning this periodic testing of public water supplies which establishes a water tax of \$0.01 per 1000 gallons of water. This tax is reflected and included in the above rates.

Issued:

Effective

By: Jeffrey Fuller, President
- 83 Eagle Chase
- Woodbury, NY 11797

Filed pursuant to an order of the Board of Public Utilities, State of New Jersey, Docket No.
WR20070490

Exhibit B

LAKE LENAPE WATER CO.

Proof of Revenues

Usage revenues-New rates

1 st Qtr. 2019	3,520,000 gals billed	
2 "	3,858,000 "	
3 "	3,943,000 "	
4 "	4,026,000 "	

	15,347,000	
	x \$6.86 M	
	-----	\$105,280

Service Charge Revenues-New rates

355 customers x \$31.06 per qtr.	\$ 11,026	
	x 4 qtrs	44,105

Total Revenue-New Rates -----
\$149,385