

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF SHORE WATER COMPANY FOR AN INCREASE IN RATES AND CHARGES FOR WATER SERVICE, AND OTHER RELIEF	PETITION  BPU Docket No. WR2109 _____
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**TO THE HONORABLE BOARD OF PUBLIC UTILITIES:**

Petitioner, Shore Water Company (hereinafter “Shore” or “Petitioner”), respectfully represents as follows:

1. Shore is a family-owned and operated public utility of the State of New Jersey, subject to the jurisdiction of the Board of Public Utilities (“Board” or “BPU”).

2. Shore’s principal business office is located at 105 23rd Avenue, South Seaside Park, New Jersey 08752.

3. Shore has provided service to the South Seaside Park section of Berkeley Township, New Jersey, since 1952.

4. Communications and correspondence relating to this Petition should be forwarded to: (1) Stephen B. Genzer, Esq., Saul Ewing Arnstein & Lehr LLP, 1037 Raymond Boulevard, Suite 1520, Newark, New Jersey, 07102-5426, (2) Shane P. Simon, Esq., Saul Ewing Arnstein & Lehr LLP, 600 College Road East, Suite 4000, Princeton, New Jersey, 08540-6603, and (3) John Morro, CPA, 74 South Shore Drive, South Amboy, New Jersey 08879.

5. Petitioner hereby petitions this Honorable Board pursuant to N.J.S.A. 48:2-21, N.J.A.C. 14:1-5.12 and N.J.A.C. 14:9-7.1, et seq., to increase and revise its rates and charges for water service effective November 1, 2021, that date being more than 30 days after the filing of this Petition with the Office of the Secretary of the Board. Petitioner also

notifies the Board that it intends to implement the proposed rates on July 1, 2022, on an interim basis pursuant to law, applicable Board regulations, and only 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 new just and reasonable rate prior to that date.

6. The existing rates and charges which are proposed to be increased or revised are set forth in Shore's existing tariff, now on file with the Board.

7. The proposed tariff sheets reflecting the increased and revised rates and charges for water service are attached hereto, and made part hereof, as Exhibit 1. Also annexed hereto as Schedule R is a Comparison of Present and Proposed Rates which reflects the proposed changes to the existing tariff.

8. Shore's gross revenues for the calendar year 2020 amounted to \$650,858. For this case, Shore will be using a test year ending December 31, 2021, supplying with this Petition, 6 months actual data (through June 30, 2021) with 6 months of projected data (through year end 2021). With this Petition, Shore is requesting an overall percentage increase of approximately 38.53% in revenues over estimated 2021 test year revenues of \$251,522.00 over test year revenues under present rates of \$652,737.00.

9. Petitioner's existing tariff has become unjust and unreasonable because the revenues derived therefrom are insufficient to permit the Petitioner to meet the cost of operating the facilities used and useful in the service of the public; to obtain a just and reasonable return on the investment in said facilities; to maintain its financial integrity, attract capital, and to compensate investors for the risks assumed on a basis comparable to that in other business undertakings attended by corresponding risks; to encourage good management and furnish incentive for efficiency; to continue to furnish safe, adequate and proper service, and to maintain its facilities in such condition as to discharge its public duties.

10. The need for this Petition is driven, in part, by the combination of several factors. The Company's base rates have not been increased since January, 2014. Since then, the Company has faced increased operating expenses and has made significantly increased investment in the Company. Shore has been working to comply with the Water Quality Accountability Act, developed an Asset Management Plan pursuant to that Act, has made corporate changes to permit it to make those additional investments in providing safe, adequate, and proper service to its customers, and is implementing its Financial Plan to accomplish all those actions.

11. Additionally, Shore is seeking to add a new Flat Rate Charge classification for unmetered customers with one (1) inch service connections and above so that those customers more properly bear a fairer share of system costs based on the water flows coming through their larger connections.

12. Except for its larger condominium units, Shore's residential customers are currently unmetered.

13. The community that Shore serves is a beachside community that has been comprised of primarily smaller "bungalow" style homes utilizing 3/4 inch service mains.

14. However, in the past several years, a combination of new construction and renovations has resulted in the replacement of numerous 3/4 inch service mains with service connections of one inch (1") or larger.

15. Through this Petition, Shore is also seeking to revise and/or implement certain fees and charges in its tariffs which are generally associated with items such as bad checks and tampering, which costs should be the responsibility of individual customers causing those issues rather than all other customers.

16. Finally, as part of this petition Shore is also requesting an increase to the volumetric charges for commercial customers (metered) as well as its metered larger condominium buildings.

17. Based on their meter flow results, there has been a decrease in commercial usage likely due, in part, to the COVID-19 pandemic. As a result, Shore anticipates that those customers' usage will take several years to recover to their pre-pandemic levels, and will therefore need to adjust its normalized revenues in this case to reflect its calculated prospective usage.

18. Notice of this filing and of the nature and extent of the Petitioner's proposal to increase or revise its rates and charges will be given to those affected as follows:

- (a) Notice of this filing together with all testimonies, schedules, exhibits, and attachments will be sent to the Acting Director of the Division of Rate Counsel, Brian O. Lipman, as well as to Deputy Attorney General, Pamela Owen, by electronic mail. Electronic copies of the Petition, along with all attachments, shall also be sent to the persons identified on the Service List attached hereto. This is consistent with the Order issued by the Board in connection with In the Matter of the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254 (March 19, 2020). Additionally, hard copies of all the above documents will be available upon request, and will also be available on the Company's website at <https://www.shorewaterco.com/>;
- (b) Petitioner, in accordance with the provisions of the Board's Rules of Practice N.J.A.C. 14:1-5.12 intends to combine other notices required to be served or published by that Rule and to serve or publish such combined notices after the time and place of hearing have been designated by the Board.

19. Proof of Service of the notices referred to in Paragraph 11 of this Petition will be filed with the Board and served upon the parties hereto as required by law.

20. The additional information and data required by the Board's Rule of Practice N.J.A.C. 14:1-5.12 and other data not specifically included within this Petition are attached hereto, made part hereof and designated as follows:

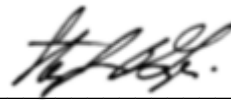
SCHEDULE A	Explanation of Test Year.
SCHEDULE B	Proforma Statement of Revenues and Expenses under Present and Proposed Rates.
SCHEDULE C	Statement of Projected Test Year – December 31, 2021 Operating Revenues.
SCHEDULE D	Statement of Projected Test Year – December 31, 2021 Operating and Maintenance Expenses.
SCHEDULE E	Statement of Projected Test Year – December 31, 2021 Taxes other than Income Taxes.
SCHEDULE F	Summary of Adjustments to Projected Test Year.
SCHEDULE F1-F11	Explanation of Adjustment to Projected Test Year.
SCHEDULE G	Plant and Depreciation.
SCHEDULE H	Computation of Required Revenue and Required Revenue Increase.
SCHEDULE I	Computation of Rate Base and Required Return.
SCHEDULE J	Computation of Income Taxes under Proposed Rates.
SCHEDULE K	Analysis of Capital Structure Computation of Rate of Overall Rate of Return.
SCHEDULE L	Projected Balance Sheet as of December 31, 2021
SCHEDULE M	Comparative Balance Sheets for the years ended December 31, 2020, 2019, and 2018.
SCHEDULE N	Comparative Statement of Revenues and Expenses for the years ended December 31, 2020, 2019, and 2018.

- SCHEDULE O Comparative Schedules of Operating Revenues for the years ended December 31, 2020, 2019, and 2018.
- SCHEDULE P Comparative Schedule of Operating and Maintenance Expenses for the years ended December 31, 2020, 2019, and 2018.
- SCHEDULE Q Comparative Schedule of Taxes other than Income Taxes for the years ended December 31, 2020, 2019, and 2018.
- SCHEDULE R Revenues under proposed Tariff Rates
- SCHEDULE S Comparison of Present and Proposed Rates.

WHEREFORE, the Petitioner prays that this Honorable Board find and determine that: (a) Petitioner's rates presently in effect are unjust and unreasonable; (b) the proposed rates, set forth in Exhibit 1 attached hereto, are just and reasonable and may become effective on the date proposed; and (c) for such other and further relief as may be just and equitable.

Respectfully submitted,

Stephen B. Genzer  
Shane P. Simon  
Saul Ewing Arnstein & Lehr LLP  
Attorneys for Petitioner  
Shore Water Company

By:   
Stephen B. Genzer

DATED: September 23, 2021

## VERIFICATION

Gloria F. Stuart hereby certifies as follows:

1. I am the President of Shore Water Company, the Petitioner herein, and I am authorized to execute this Verification on Petitioner's behalf. I have reviewed the Petition and supporting schedules filed in this matter.

2. I hereby certify that the information contained therein is true to the best of my knowledge, information and belief.

A handwritten signature in black ink that reads "Gloria F. Stuart". The signature is written in a cursive style with a large, stylized "F".

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Gloria F. Stuart, President  
Shore Water Company

DATED: September 23, 2021