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August 14, 2019

VIA OVERNIGHT DELIVERY

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

Re: In the Matter of the Petition of Aqua New Jersey, Inc.,
Maxim Wastewater Division, for Approval of a 2018 Purchased
Wastewater Treatment Adjustment Clause True-Up
and Other Required Approvals
BPU Docket No. WR19

Dear Secretary Cahacho-Welch:

Enclosed for filing please find an original and ten (10) copies of a Petition submitted on behalf of Aqua New Jersey, Inc., ("Petitioner") initiating the above-referenced matter. Additionally, I have enclosed an extra copy of this filing. Kindly stamp this copy "filed" and return it to me in the enclosed self-addressed, stamped envelope.

Please contact me if you have any questions regarding this proceeding. Thank you for your attention to this matter.

Respectfully submitted,


Courtney L. Schultz

Enclosures

cc: Service List (as indicated)

SERVICE LIST

In the Matter of the Petition of Aqua New Jersey, Inc.,
Maxim Sewer Division, for Approval of a 2018 Purchased Wastewater Treatment
Adjustment Clause True-Up and Other Required Approvals (2018 True-Up)
BPU Docket No. WR19_____

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Bryn Mawr, PA 19010
wepackerjr@aquaamerica.com

Courtney L. Schultz, Esq.
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Philadelphia, PA 19102
courtney.schultz@saul.com

** Hard copy will be provided

RECEIVED
CASE MANAGEMENT

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

2019 AUG 15 A 10:39

BOARD OF PUBLIC UTILITIES
TRENTON, NJ
IN THE MATTER OF THE PETITION
OF AQUA NEW JERSEY, INC.,
MAXIM WASTEWATER DIVISION,
FOR APPROVAL OF A 2018
PURCHASED WASTEWATER
TREATMENT ADJUSTMENT CLAUSE
TRUE-UP AND OTHER REQUIRED
APPROVALS

BPU DOCKET NO. WR19 _____

RECEIVED
MAIL ROOM

AUG 15 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

TO THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES:

1. **PETITIONER, AQUA NEW JERSEY, INC.** (hereinafter “Petitioner” or the “Company”), a public utility of the State of New Jersey, with its principal business office at 10 Black Forest Road, Hamilton, New Jersey 08691, hereby petitions for approval of a purchased wastewater treatment adjustment clause true-up (“PSTAC”) for calendar year 2018 and to set prospective rates for calendar year 2020 pursuant to N.J.A.C. 14:9-7.1 et seq.

2. Petitioner’s Maxim Wastewater Division (“Maxim”) provides wastewater service to approximately 2,583 customers in the Township of Howell, County of Monmouth, pursuant to a municipal consent and franchise, and an Order of the Board of Public Utilities (“Board”) approving the franchise and accepting Petitioner’s initial tariff for filing.

3. Maxim purchases wastewater treatment services from the Ocean County Utilities Authority (“OCUA”). The OCUA treats all of the wastewater collected by Maxim, which is a Bulk Rate customer of the OCUA. Bills are rendered by the OCUA and paid by Maxim on a quarterly basis during the year. In January of each year, the OCUA estimates the annual volume

of wastewater to be treated for Maxim and bills the Company quarterly based on that estimate. In 2018, the OCUA estimated Maxim's annual usage to be 235 million gallons. Also in January of each year, the OCUA reconciles the actual volumes treated for Maxim in the prior calendar year and provides a charge or a credit, depending on Maxim's actual usage, on Maxim's first quarter bill in the following year.

PSTAC RECONCILIATION FOR 2018

4. As noted above, the purpose of this proceeding is twofold: to true-up actual 2018 PSTAC costs and revenues with estimated costs and revenues for 2018; and to set prospective rates for 2020. The rates that Maxim was authorized to collect in 2018 were set by the Board in Docket No. WR17080871 (dated November 21, 2017), attached as Exhibit A. Specifically, the Board authorized the Company to set 2018 rates to recover costs of approximately \$806,810 (consisting of the following components: estimated 2018 OCUA treatment costs of \$873,708, a credit for the actual \$66,818 PSTAC over-recovery for 2016, a credit for interest of \$2,980 on that over-recovery, and actual costs of \$2,900 related to (half of) the cost of the proceeding).

5. On January 31, 2019 the Company received from the OCUA a letter which explained that the 2018 Annual Charge for wastewater treatment was based on Maxim's **estimated** sewage volume of 235 million gallons, whereas, the **actual** 2018 volume was 248.300 million gallons, or 13.300 million gallons more than the billed estimate. The increased volume resulted in a deficiency of \$52,688, which was added to the first installment of the 2019 Annual Charge. The OCUA letter and a schedule showing Maxim's actual 2018 metered flow data are attached as Exhibit B, hereto. Therefore, in 2018, Maxim's total actual PSTAC costs were \$983,268: this compares to the projected expense of \$873,708 authorized in BPU Docket No. WR17080871, thus resulting in a \$109,560 under-recovery. The Company's prospective

authorized revenues for 2018 were \$806,810. Maxim's actual revenues in 2018, however, were \$811,468, resulting in an over-recovery of \$4,658. Accordingly, the Company had a total under-recovery of \$104,902.

2020 OCUA RATES

6. On June 27, 2019, the OCUA issued a resolution, following notice and a public hearing, approving the implementation of the Bulk Rate of \$4,039 per million gallons for service rendered in 2020, evidencing no change from the currently effective Bulk Rate. The resolution is attached as Exhibit C.

2020 PSTAC RATES

7. Maxim's 2019 PSTAC tariff was approved by Order of the Board in Docket No. WR18080882 (dated December 18, 2018), which is attached as Exhibit D. Attached hereto as Exhibit E is Maxim's existing 2019 PSTAC tariff, and a proposed 2020 PSTAC tariff which incorporates the proposed 2018 PSTAC reconciliation as well as prospective rates for 2020.

8. Attached hereto as Exhibit F is a schedule which supports the proposed 2020 PSTAC tariff. As discussed above, the Company's 2020 PSTAC must address the reconciliation of actual 2018 PSTAC revenues and PSTAC expenses with estimated revenues and expenses, and set prospective rates for 2020 to address estimated treatment costs. As noted above, Petitioner has performed a reconciliation of the actual revenues and expenses of the 2018 PSTAC and determined that there was an under-recovery for 2018 of \$104,902. See Exhibit F (pages 1-3).

9. With respect to the setting of prospective rates for 2020, Petitioner has performed an analysis of the projected PSTAC costs for calendar year 2020, and estimated 2020 OCUA treatment costs to be \$911,064. See Exhibit F (page 5). Please note that this estimate is based on a three year average of actual total volumes treated (225.6 MG), rather than the higher volumes

(60 MG/quarter or 240 MG annually) the OCUA is using to bill the Company on a quarterly basis. Additionally, as summarized on Exhibit F (page 4), the Company has estimated the cost of this proceeding to be \$10,750 and has included half of that amount, \$5,375, in its request in this proceeding. As indicated on Exhibit F (page 7), the Company has estimated that its total PSTAC revenue requirement for 2020 is \$1,021,341 (which includes \$911,064 of estimated 2020 treatment costs, plus \$5,375 for the costs of this proceeding, plus \$104,902 for the 2018 PSTAC under-recovery reconciliation).

10. As shown on Exhibit F (page 6), 2019 PSTAC rates were authorized in BPU Docket No. WR18080882 and 2019 PSTAC revenues are estimated to be approximately \$812,077. When the 2020 PSTAC revenue requirement is compared to the level of PSTAC revenues estimated for 2019, there is a revenue deficiency of \$209,264 (calculated on Exhibit F, page 7). As summarized on Exhibit F (page 9), the Company has developed a 2020 PSTAC rate to recover a total of \$1,021,341 in 2020 PSTAC revenues. As illustrated on Exhibit F (page 8), the increase in the 2020 revenue requirement of \$1,021,341 (when compared to current rates) results in an across-the-board **increase** in the present PSTAC rate of approximately 25.769%.

11. Petitioner reserves the right to amend this Petition and exhibits as necessary.

12. All correspondence related to this Petition should be sent to:

Courtney L. Schultz, Esq.
Saul Ewing LLP
Centre Square West, 38th Floor
1500 Market Street
Philadelphia, PA 19102

William C. Packer
Aqua Pennsylvania, Inc.
768 W. Lancaster Avenue
Bryn Mawr, PA 19010

WHEREFORE, Petitioner respectfully requests that the Board approve the 2018 PSTAC true up, authorize the Company to set prospective rates for the period beginning January 1, 2020, and grant such other relief as shall appear just and reasonable.

Respectfully submitted,

Dated: August 14, 2019

By:



Courtney L. Schultz, Esq.

Saul Ewing LLP

Counsel for Aqua New Jersey, Inc.

EXHIBIT A



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., MAXIM WASTEWATER DIVISION, FOR) ORDER ADOPTING
APPROVAL OF A 2016 PURCHASED WASTEWATER) STIPULATION OF SETTLEMENT
TREATMENT ADJUSTMENT CLAUSE TRUE-UP AND)
OTHER REQUIRED APPROVALS) BPU DOCKET NO. WR17080871

Parties of Record:

Courtney L. Schultz, Esq., Saul Ewing Arnstein & Lehr LLP, on behalf of Aqua New Jersey, Inc., Maxim Wastewater Division
Stefanie A. Brand, Esq. Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On August 10, 2017, pursuant to N.J.A.C. 14:9-7.1 et seq., Aqua New Jersey, Inc., Maxim Wastewater Division ("Maxim," "Company," or "Petitioner") filed a verified petition with the Board of Public Utilities ("Board") for approval of a Purchased Sewerage Treatment Adjustment Clause ("PSTAC") true-up for calendar year 2016, and to set prospective rates for calendar year 2018 (as required by N.J.A.C. 14:9-7.7). The Company originally filed for rates under the current PSTAC to remain unchanged. The 2017 PSTAC revenues at present rates are approximately \$845,375.

Maxim is a wastewater utility engaged in the collection and transmission of sewage. Maxim serves approximately 2,572 customers within a portion of Howell Township, Monmouth County, New Jersey. The Ocean County Utilities Authority ("OCUA") receives and treats all of the sewage transmitted by Maxim.

By this Order, the Board considers the Stipulation of Settlement ("Stipulation") executed by the Petitioner, the Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, the "Parties"), agreeing to an overall decrease in Petitioner's PSTAC revenues of approximately 27.36% below current PSTAC revenues of \$845,375.

BACKGROUND/PROCEDURAL HISTORY

The matter was retained by the Board and since the Company did not seek an increase in rates, it was deemed that a public comment hearing was not required.

Petitioner's rates reflect the recovery of wastewater treatment charges imposed by the OCUA. The current PSTAC tariff was approved by the Board in an Order in Docket No. WR16080737, dated November 30, 2016, which examined PSTAC revenues and expenses applicable to the period ending December 31, 2015 and set prospective rates for calendar year 2017.

In this proceeding, the Parties engaged in discovery and have examined the Company's actual revenues and actual OCUA expenses for calendar year 2016, the Company's projected OCUA expenses for 2018, as well as the costs of this proceeding. The Parties participated in a settlement conference on October 31, 2017, reached a settlement on all issues, and subsequently entered into a Stipulation. Based on the foregoing, the Parties have determined that the current PSTAC rate should be decreased to recover \$38,565 less in revenues. The \$38,565 PSTAC decrease was calculated based on the following components:

- a) an over-recovery of actual wastewater treatment charges of approximately \$66,818 for the calendar year ending December 31, 2016 (See Exhibit A, attached hereto, pages 1 to 3), with the interest on this over-recovery calculated to be \$2,980 (See Exhibit A, page 11);
- b) projected OCUA charges for 2018 of \$873,708 based on OCUA rates effective for 2017 (See Exhibit A, page 5);
- c) the total costs of this proceeding are deemed to be \$5,800 (See Exhibit A, page 4). These costs will be shared 50/50 between ratepayers and shareholders, resulting in a cost to customers of \$2,900 (See Exhibit A, page 7); and
- d) the pro forma PSTAC revenues at current rates are projected to be \$845,375 (See Exhibit A, page 6).

As required in N.J.A.C. 14:9-7.7 and the Board's Order in Docket No. WR15080864, the Petitioner has included in its filing an estimate of OCUA costs for calendar year 2018, which has been used to determine the applicable PSTAC rate for 2018.

DISCUSSIONS AND FINDINGS¹

Based on the estimated costs for 2018, the over-recovery for 2016 (including interest), and the costs of this proceeding, the Parties have agreed that Petitioner's current PSTAC rates on file with the Board should be decreased as indicated on Exhibit A. For the average residential customer, the total annual flat PSTAC rate will decrease from \$319.09 to \$304.53, or approximately 4.56%.

¹ Although described in this Order, 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.

Having reviewed the record in this matter, as well as the Stipulation among the Parties, the Board **HEREBY FINDS** that the Stipulation among the Parties is reasonable, in the public interest and is in accordance with the law.

Therefore, the Board **HEREBY ADOPTS** the Stipulation attached hereto, including all attachments and schedules, as its own, incorporating by reference the terms and conditions of the Stipulation, as if fully set forth at length herein, subject to the following:

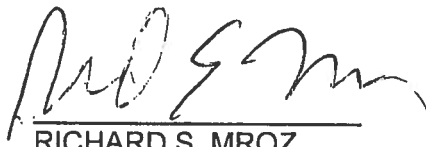
In accordance with the provisions of N.J.A.C. 14:9-7.3(c), the Petitioner shall file with the Board, no later than 45 days after the adjustment clause has been in effect for one year, or by February 28, 2019, whichever is earlier, a PSTAC true-up filing in connection with this proceeding. This filing shall include estimates of the OCUA costs for calendar year 2019. Copies of the true-up filing shall be served upon all Parties to the present proceeding.

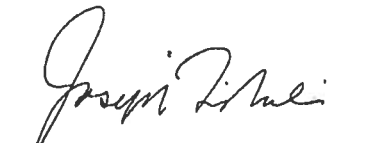
The Board **HEREBY DIRECTS** the Company to file tariff pages conforming to the terms and conditions of the Stipulation and this Order within ten (10) days from the effective date of this Order.


The effective date of this Order is December 1, 2017 with rates to become effective January 1, 2018.

DATED: 11/21/17

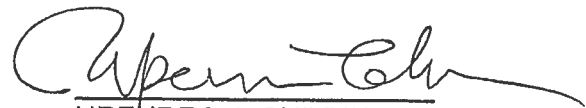
BOARD OF PUBLIC UTILITIES
BY:

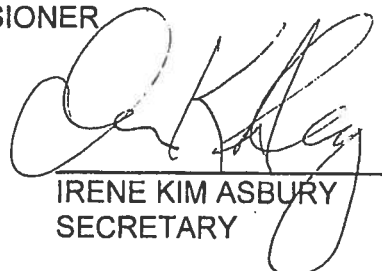

RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

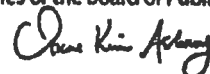

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities



**IN THE MATTER OF THE PETITION OF AQUA NEW JERSEY, INC., MAXIM WASTEWATER
DIVISION, FOR APPROVAL OF A 2016 PURCHASED WASTEWATER TREATMENT
ADJUSTMENT CLAUSE TRUE-UP AND OTHER REQUIRED APPROVALS
BPU DOCKET NO. WR17080871**

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Irene Kim Asbury, Esq.
Secretary of the Board
Board of Public Utilities
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Trenton, NJ 08625-0350
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1. Petitioner operates a sewage collection and transmission system within a portion of the Township of Howell, New Jersey. Petitioner serves approximately 2,572 customers within its service territory. Aqua New Jersey, Inc. is a public utility corporation of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities (the "Board"). Aqua's principal business office is located at 10 Black Forest Road, Hamilton, New Jersey 08691.

2. On August 9, 2017, pursuant to N.J.A.C. 14:9-7.1 et seq., Aqua filed the above-captioned Petition with the Board, which was later assigned BPU Docket No. WR17080871, for approval of a purchased sewerage treatment adjustment clause ("PSTAC") true-up for calendar year 2016, and to set prospective rates for calendar year 2018 as required by N.J.A.C. 14:9-7.1(d) and 14:9-7.7.

3. The matter was retained by the Board for review and disposition. The Parties agreed that a public comment hearing was not required because the Petitioner did not seek an increase in rates.

4. Petitioner's rates reflect the recovery of wastewater treatment charges imposed by the Ocean County Utilities Authority ("OCUA"). The current PSTAC tariff was approved by the Board in an Order in Docket No. WR16080737, dated November 30, 2016, which examined PSTAC revenues and expenses applicable to the period ending December 31, 2015 and set prospective rates for calendar year 2017.

5. In this proceeding, the Parties have examined the Company's actual revenues and actual OCUA expenses for calendar year 2016, the Company's projected OCUA expenses for 2018, as well as the costs of this proceeding. Based on the foregoing, the Parties have determined that the current PSTAC rate should be decreased to recover \$38,565 less in revenues. The \$38,565 PSTAC decrease was calculated based on the following components:

- a) an over-recovery of actual wastewater treatment charges of approximately \$66,818 for the calendar year ending December 31, 2016 (See Exhibit A, attached hereto, pages 1 to 3), with the interest on this over-recovery calculated to be \$2,980 (See Exhibit A, page 11);
- b) projected OCUA charges for 2018 of \$873,708 based on OCUA rates effective for 2017 (See Exhibit A, page 5);
- c) the total costs of this proceeding are deemed to be \$5,800 (See Exhibit A, page 4). These costs will be shared 50/50 between ratepayers and shareholders, resulting in a cost to customers of \$2,900 (See Exhibit A, page 7); and
- d) the pro forma PSTAC revenues at current rates are projected to be \$845,375 (See Exhibit A, page 6).

6. As required in N.J.A.C. 14:9-7.7, the Company has included in its filing an estimate of OCUA costs for calendar year 2018, which estimate has been used to determine the applicable PSTAC rate for 2018.

7. Based on the estimated costs for 2018, the over-recovery for 2016 (including interest), and the costs of this proceeding, the Parties have agreed that Petitioner's current PSTAC rates on file with the Board should be decreased as indicated on Exhibit A. For the average residential customer, the total annual flat PSTAC rate will decrease from \$319.09 to \$304.53, or approximately 4.56% (See Exhibit A, page 8). With respect to the total annual rate for wastewater services, the total annual rate for the average residential customer will decrease from \$623.09 to \$608.53, or approximately 2.34% (See Exhibit A, page 10).

8. Consistent with the provisions of N.J.A.C. 14:9-7.1 et seq., the Parties agree that the Company file with the Board a PSTAC petition to reconcile calendar year 2017 actual OCUA costs with the estimated OCUA costs (as reflected in the rates identified on Exhibit A) for the same period. Additionally, the Company will include in its filing an estimate of OCUA costs for calendar year 2019, which estimate will be used to determine the applicable PSTAC rate for 2019, as required in N.J.A.C. 14:9-7.1(d) and 14:9-7.7.

9. The Parties have engaged in full discovery. The Parties agree that the within Stipulation reflects a mutual balancing of various issues and positions, and that it is being entered into in the spirit of compromise and to avoid protracted and costly litigation.

10. This Stipulation is the product of 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.

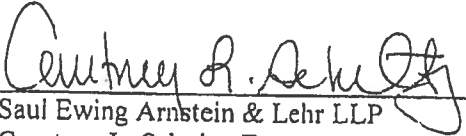
11. The Parties agree that each term within this Stipulation reflects a mutual balancing of various issues and positions and is intended to be accepted and approved in its entirety. Each term is vital to this Stipulation as a whole, since the Parties hereto expressly and jointly state that they would 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.

12. The Parties further agree that with respect to any policy or other issues which were compromised 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. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, the Parties shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposedly underlying any agreement provided herein in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

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

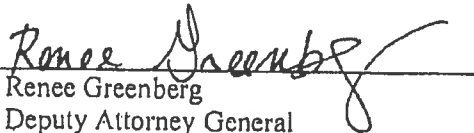
AQUA NEW JERSEY, INC.
MAXIM WASTEWATER DIVISION

November 6, 2017
Date

By: 
Saul Ewing Arnstein & Lehr LLP
Courtney L. Schultz, Esq.
Attorney for Petitioner

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the
New Jersey Board of Public Utilities

11/8/2017
Date

By: 
Renee Greenberg
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
DIRECTOR - RATE COUNSEL

11/9/2017
Date

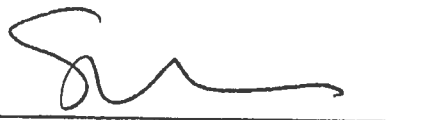
By: 
Susan McClure, Esq.
Assistant Deputy Rate Counsel

EXHIBIT A

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2016

A.1.2016 Treatment Expenses Paid to OCUA:

Quarter	Gallons Billed	Amount	Invoice #	Reference
Q1	60.00	\$232,920	1800018324	
Q2	60.00	\$232,920	1800018603	
Q3	60.00	\$232,920	1800018792	
Q4	60.00	\$232,920	1800019165	
Credit		(\$121,507)		
Total 2016 Actual Treatment Expense		240.00	\$810,173	Exhibit B

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2016

B.) 2016 Revenues Billed to Maxim Customers:

Class	Customers	Meter Size	Amount	Rate	% of Revenue
Residential - Single Family	2,537	-	\$809,531	\$319.09	95.76%
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$7,977	\$319.09	0.94%
Commercial, Industrial, School, Business, & Religious	1	1"	\$532	\$532.18	0.06%
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$0	\$1,095.43	0.00%
Commercial, Industrial, School, Business, & Religious	8	2"	\$13,587	\$1,698.36	1.61%
Commercial, Industrial, School, Business, & Religious	-	3"	\$0	\$3,287.37	0.00%
Commercial, Industrial, School, Business, & Religious	1	4"	\$5,314	\$5,314.20	0.63%
Subtotal:	2,572		\$836,942		99.00%

Customer #	Meter Size	Min. Bill	Over Minimum	In Kqals	Gallons Billed	% of Revenue
991661	3/4"	\$613	44	95	139	
991662	3/4"	\$613	30	95	125	
991679	2"	\$3,270	2,235	507	2,741	
991683	2"	\$3,270	24	507	531	
2073299	3/4"	\$613	16	95	112	
2061674	3/4"	\$613	59	95	154	
2307454	3/4"	\$613	40	95	135	
2111109	3/4"	\$613	68	95	163	
Subtotal Gallons:			2,516			
Rate / 1,000 gallons:			\$3,352			
Subtotal Commerical Revenues over Minimum			\$8,433			1.00%
Total Revenues Billed 2016:			\$845,375			

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2016

C.1) 2016 Reconciliation - Over/(Under) Recovery:

		<i>Reference</i>
C.1)	Actual Revenue 2016	\$845,375
	Prospective Revenue Authorized 2016	\$845,715
	Over/(Under) Recovery 2016	<u>(\$340)</u>
C.2)	Actual Expense 2016	\$810,173
	Projected Expense 2016	\$877,332
	Over/(Under) Recovery 2016	<u>\$67,159</u>
	Total Over/(Under) Recovery 2016	\$66,818

B.)
Exhibit A

A.)
Exhibit A Page 2 Sub B

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2016

D.1 Cost of Filing Application:

Legal	Amount
Notification- & Other	\$5,800
Transcripts	\$0
Total	\$0
	<hr/>
	\$5,800

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2016

E.) Prospective 2018 Rate Adjustment:

- 1.) Projected 2018 Sewage Volume (in millions)
- 2.) Proposed 2018 OCUA Bulk Rate
- 3.) Projected Calendar Year 2018 Billings by OCUA
- 4.) Projected 2017 OCUA Billings
- 5.) Prospective Adj. for Rates Effective 1/1/2018

Calculation	Reference
220.63	Footnote (a)
\$3,950	Exhibit C
\$873,708	(Lines 1.) x 2.)
\$868,808	
\$4,900	(Lines 3.) - 4.)

Year	Volume
2014	229.8
2015	223.4
2016	208.7
3 Yr Avg	220.6

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2016

E.1 Estimated PSTAC Revenue at Present Rates (2017):

Class	Customers	Meter Size	2017 Current Rate	PSTAC Revenue at Present Rates	% of Revenue
Residential - Single Family	2,537	-	\$319.09	\$809,531.33	95.76%
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$319.09	\$7,977.25	0.94%
Commercial, Industrial, School, Business, & Religious	1	1"	\$532.18	\$532.18	0.06%
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$1,095.43	\$0.00	0.00%
Commercial, Industrial, School, Business, & Religious	8	2"	\$1,698.36	\$13,586.88	1.61%
Commercial, Industrial, School, Business, & Religious	-	3"	\$3,287.37	\$0.00	0.00%
Commercial, Industrial, School, Business, & Religious	1	4"	\$5,314.20	\$5,314.20	0.63%
Total:					
Commercial Metered Service Rate / 1,000 gallons =	2,516		\$3.352	\$8,432.98	1.00%
Total PSTAC Revenue at Present Rates =>				<u>\$845,374.82</u>	

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2016

G.I. PSTAC Calculation:

	Amount	Reference
1.) Projected 2018 Calendar Year Billings by OCUA	\$873,708	E.)
2.) Over Recovery 2016	(\$66,818)	C.)
3.) Interest on Over Recovery	(\$2,980)	Exhibit F Page 11
4.) Cost of Filing Application (\$5,800 x 50%)	\$2,900	D.)
5.) 2018 PSTAC Revenue Requirement	<u>\$806,810</u>	Sum Lines 1 thru 3
6.) PSTAC Revenue at Present (2017 Rates)	<u>\$845,375</u>	F.)
7.) Subtotal PSTAC Adjustment 2018	<u>(\$38,565)</u>	Line 4 minus Line 5

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2016

H.J. Rate Design:

Class	Customers	Meter Size	2017 Current Rate	% of Revenue	Assessment	2018 New Rate	% Change
Residential - Single Family	2,537	-	\$319.09	95.76%	(\$36,929.86)	\$304.53	-4.562%
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$319.09	0.94%	(\$363.91)	\$304.53	-4.562%
Commercial, Industrial, School, Business, & Religious	1	1"	\$532.18	0.06%	(\$24.28)	\$507.90	-4.562%
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$1,095.43	0.00%	\$0.00	\$1,045.46	-4.562%
Commercial, Industrial, School, Business, & Religious	8	2"	\$1,698.36	1.61%	(\$619.82)	\$1,620.88	-4.562%
Commercial, Industrial, School, Business, & Religious	-	3"	\$3,287.37	0.00%	\$0.00	\$3,137.40	-4.562%
Commercial, Industrial, School, Business, & Religious	1	4"	\$5,314.20	0.63%	(\$242.43)	\$5,071.77	-4.562%
Total:					<u>(\$38,180)</u>		
Commercial Metered Service Rate / 1,000 gallons =			\$3.352	1.00%	(\$384.70)	\$3.199	-4.562%
Total Revenue Assessed					<u>(\$38,565)</u>		

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2016

LL Proof of Revenue:

Class	Customers/Gallons	Meter Size	New Rate	Prospective 2018 Revenue
Residential - Single Family	2,537	-	\$304.53	\$772,601.47
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$304.53	\$7,613.34
Commercial, Industrial, School, Business, & Religious	1	1"	\$507.90	\$507.90
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$1,045.46	\$0.00
Commercial, Industrial, School, Business, & Religious	8	2"	\$1,620.88	\$12,967.06
Commercial, Industrial, School, Business, & Religious	-	3"	\$3,137.40	\$0.00
Commercial, Industrial, School, Business, & Religious	1	4"	\$5,071.77	\$5,071.77
Commercial over Minimum Gallons	2,516	Kgals	\$3,199	\$8,048.28
Total:				<u>\$806,810</u>

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2016

1.1 Customer Impact - Combined (Base Rate + PSTAC Rate)

Class	Customers	Meter Size	2017 Old Rate	2018 New Rate	% Change
Residential - Single Family	2,537	-	\$623.09	\$608.53	-2.34%
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$623.09	\$608.53	-2.34%
Commercial, Industrial, School, Business, & Religious	1	1"	\$1,039.18	\$1,014.90	-2.34%
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$2,110.43	\$2,060.46	-2.37%
Commercial, Industrial, School, Business, & Religious	8	2"	\$3,322.36	\$3,244.88	-2.33%
Commercial, Industrial, School, Business, & Religious	-	3"	\$6,332.37	\$6,182.40	-2.37%
Commercial, Industrial, School, Business, & Religious	1	4"	\$10,389.20	\$10,146.77	-2.33%
Total					
Commercial Metered Service Rate / 1,000 gallons=			\$6.402	\$6.249	-2.39%

2016 Maxim PSTAC True Up

Interest Calculation (Rate = 30 Yr Treasury @ 12/31/16 => 3.06%, @ 7/18/17 = 2.85%)

Month	Year	Refund*	APR %	Month % Rate	Interest
January	2016	\$ 5,568.17	0.0306	0.00255	14.20
February	2016	11,150.53	0.0306	0.00255	28.43
March	2016	16,732.93	0.0306	0.00255	42.67
April	2016	22,315.34	0.0306	0.00255	56.90
May	2016	27,897.74	0.0306	0.00255	71.14
June	2016	33,480.14	0.0306	0.00255	85.37
July	2016	39,062.54	0.0306	0.00255	99.61
August	2016	17,656.94	0.0306	0.00255	45.03
September	2016	50,158.53	0.0306	0.00255	127.90
October	2016	55,809.57	0.0306	0.00255	142.31
November	2016	61,392.15	0.0306	0.00255	156.55
December	2016	66,974.55	0.0306	0.00255	170.79
January	2017	67,145.34	0.0285	0.00238	159.47
February	2017	67,304.81	0.0285	0.00238	159.85
March	2017	67,464.65	0.0285	0.00238	160.23
April	2017	67,624.88	0.0285	0.00238	160.61
May	2017	67,785.49	0.0285	0.00238	160.99
June	2017	67,946.48	0.0285	0.00238	161.37
July	2017	68,107.86	0.0285	0.00238	161.76
August	2017	68,269.61	0.0285	0.00238	162.14
September	2017	68,431.75	0.0285	0.00238	162.53
October	2017	68,594.28	0.0285	0.00238	162.91
November	2017	68,757.19	0.0285	0.00238	163.30
December	2017	68,920.49	0.0285	0.00238	163.69

* 2016 Over-Recovery \$66,818 pro-rated

Total Interest to be Refunded to Customers

\$ 2,980

EXHIBIT B



THE OCEAN COUNTY UTILITIES AUTHORITY

Serving Ocean County & Southern Monmouth County

JOHN C. PARKER, CHAIRMAN
DANIEL J. HENNESSY, VICE CHAIRMAN
F. FRANK SADEGHI, TREASURER
CAROL A. SCULL, SECRETARY
ROBERT TOSCAN
REVEREND OSCAR L. CRADLE
WATSON F. PHARO
HELEN FAYAD
JESSE TANTILLO
ALAN W. AVERY, JR.
RABBI YITZCHOK ROZSANSKY, ALTERNATE
CARMEN F. AMATO, JR., ALTERNATE

KEITH B. MARCOON, P.E., EXECUTIVE DIRECTOR

January 31, 2019

CERTIFIED-RRR

Aqua New Jersey
10 Black Forest Road
Hamilton, NJ 08691

Re: Deficiency Notification for 2018 Calendar Year

Dear Sir or Madam:

Presented herein is this Authority's "Deficiency Notification" resulting from the regional sewerage service provided to your community during the 2018 calendar year. A "Deficiency" charge or credit is the correction to the Annual Charge billed to a Participant which results from adjusting the estimated sewage discharge to reflect the actual volume discharged in the calendar year. For more detailed information concerning "Deficiencies," please refer to Articles V and IX of the Service Agreement.

As indicated in this Authority's letter to you of January 25, 2018, the 2018 Annual Charge billed to your community was based upon an estimated sewage volume of 235 million gallons anticipated to be discharged to the Regional System. Our records indicate that during 2018 your community discharged 248.300 million gallons, or 13.300 million gallons more than the billed estimate. At the 2018 Bulk Rate of \$3,960, this results in a "Deficiency" amount due this Authority of \$52,668.00. This "Deficiency" will be added to the first installment of the 2018 Annual Charge.

Enclosed is a copy of the back-up data used in the determination of this "Deficiency Notification." Should you wish to meet with us to discuss the development of this "Deficiency Notification," please contact this office to arrange an appointment.

Sincerely,

Keith B. Marcoon
Executive Director

KBM:ls

Enclosure

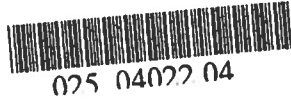
c. William T. Suchodolski, Manager, Engineering & Construction
William Demand, Director, Finance
Robert G. McGlaughlin, Planning/Metering Specialist

AQUA NEW JERSEY

2018 METERED FLOW DATA

(MF-1)

	MONTHLY TOTAL (MG)	DAILY AVERAGE (MGD)	OCUA WATER USE (MG)	MONTHLY BILLABLE (MG)	DAILY AVERAGE (MGD)
JANUARY	17.700	0.571	0.000	17.700	0.571
FEBRUARY	18.300	0.654	0.000	18.300	0.654
MARCH	23.700	0.765	0.000	23.700	0.765
APRIL	20.100	0.670	0.000	20.100	0.670
MAY	22.100	0.713	0.000	22.100	0.713
JUNE	20.900	0.697	0.000	20.900	0.697
JULY	18.400	0.594	0.000	18.400	0.594
AUGUST	19.100	0.616	0.000	19.100	0.616
SEPTEMBER	19.500	0.650	0.000	19.500	0.650
OCTOBER	20.700	0.668	0.000	20.700	0.668
NOVEMBER	22.400	0.747	0.000	22.400	0.747
DECEMBER	25.400	0.819	0.000	25.400	0.819
2018 Totals	248.300	0.680	0.000	248.300	0.678
Same Period, 2017	219.700	0.602	0.000	219.700	0.602
Last 12 Months	248.300	0.680	0.000	248.300	0.680



INVOICE

OCEAN COUNTY UTILITIES AUTHORITY

P. O. Box P

Bayville, New Jersey 08721

Tel. No. (732)269-4500

Fax No. (732)269-8440

V23251

RA 355469

GO 25254

REC. 24308



Invoice No. 1800020515
Date 2-Feb-18

AQUA NJ INC.
10 Black Forest Road
Hamilton, New Jersey 08691

Attn: Accounts Payable

First quarter 2018 installment due March 1, 2018	\$ 232,650.00
2017 Deficiency (Credit)/Charge	\$ (59,394.60)
Net amount due March 1, 2018	<u>\$ 173,255.40</u>

750 241002 ef

Claimant's Certification and Declaration:

I do solemnly declare and certify under the penalties of the law that the within bill is correct in all its particulars; that the articles have been furnished or services rendered as stated therein; that no bonus has been given or received by any person or persons within the knowledge of this claimant in connection with the above claim; that the amount therein stated is justly due and owing and that the amount charged is a reasonable one.

Signature

Director of Finance
Title

2-Feb-18
Date

90



025 04081 20

V23351

RQ 362728

INVOICE PO 25470

OCEAN COUNTY UTILITIES AUTHORITY

P. O. Box P

Bayville, New Jersey 08721

Tel. No. (732)269-4500

Fax No. (732)269-8440

rec. 24578

Invoice No.	1800020775
Date	4/10/2018

AQUA NJ INC.
10 Black Forest Road
Hamilton, New Jersey 08691

Attn: Accounts Payable

Second quarter 2018 installment due June 1, 2018

\$ 232,650.00

Claimant's Certification and Declaration:

I do solemnly declare and certify under the penalties of the law that the within bill is correct in all its particulars; that the articles have been furnished or services rendered as stated therein; that no bonus has been given or received by any person or persons within the knowledge of this claimant in connection with the above claim; that the amount therein stated is justly due and owing and that the amount charged is a reasonable one.

[Signature]
Signature

Director of Finance
Title

4/10/2018
Date

750-162080 M 4/12/18

075 04167 33

20

V 23351
RA 373249

PO 25881

MC 25121

INVOICE

OCEAN COUNTY UTILITIES AUTHORITY

P. O. Box P

Bayville, New Jersey 08721

Tel. No. (732)269-4500

Fax No. (732)269-8440

Invoice No. 1800021105
Date July 2, 2018

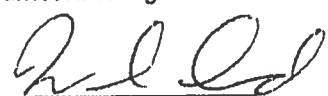
AQUA NJ INC.
10 Black Forest Road
Hamilton, New Jersey 08691

Attn: Accounts Payable

Third quarter 2018 Installment due September 1, 2018 \$ 232,650.00

Claimant's Certification and Declaration:

I do solemnly declare and certify under the penalties of the law that the within bill is correct in all its particulars; that the articles have been furnished or services rendered as stated therein; that no bonus has been given or received by any person or persons within the knowledge of this claimant in connection with the above claim; that the amount therein stated is justly due and owing and that the amount charged is a reasonable one.

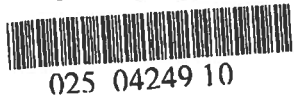

Signature

Director of Finance
Title

July 2, 2018
Date

750 241002 9

RECEIVED JUL 12 2018



20

V23351
RQ 384741

INVOICE

OCEAN COUNTY UTILITIES AUTHORITY

P. O. Box P

Bayville, New Jersey 08721

Tel. No. (732)269-4500

Fax No. (732)269-8440

PO 26287

rec. 25709

Invoice No. 1800021412
Date October 1, 2018

AQUA NJ INC.
10 Black Forest Road
Hamilton, New Jersey 08691

Attn: Accounts Payable

Fourth quarter 2018 installment due December 1, 2018

\$ 232,650.00

Claimant's Certification and Declaration:

I do solemnly declare and certify under the penalties of the law that the within bill is correct in all its particulars; that the articles have been furnished or services rendered as stated therein; that no bonus has been given or received by any person or persons within the knowledge of this claimant in connection with the above claim; that the amount therein stated is justly due and owing and that the amount charged is a reasonable one.

Signature

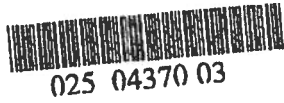
Director of Finance

Title

October 1, 2018

Date

750 162080 A



025 04370 03

23351

RG 399672

20

INVOICE

OCEAN COUNTY UTILITIES AUTHORITY

P. O. Box P

Bayville, New Jersey 08721

Tel. No. (732)269-4500

Fax No. (732)269-8440

90 26922

REC 26599

Invoice No. 1800021804
Date 1-Feb-19

AQUA NJ INC.
10 Black Forest Road
Hamilton, New Jersey 08691

Attn: Accounts Payable

First quarter 2019 installment due March 1, 2019

2018 Deficiency Charge (Credit)

Net amount due March 1, 2019

Reclass to 750-186700

\$	237,291.25
\$	<u>52,668.00</u>
\$	<u><u>289,959.25</u></u>

Claimant's Certification and Declaration:

I do solemnly declare and certify under the penalties of the law that the within bill is correct in all its particulars; that the articles have been furnished or services rendered as stated therein; that no bonus has been given or received by any person or persons within the knowledge of this claimant in connection with the above claim; that the amount therein stated is justly due and owing and that the amount charged is a reasonable one.


Signature

Director of Finance
Title

1-Feb-19
Date

750-162080

EXHIBIT C



THE OCEAN COUNTY UTILITIES AUTHORITY

501 HICKORY LANE

BAYVILLE, NEW JERSEY 08721

RESOLUTION No.: 19-11652

DATE: June 27, 2019

WHEREAS, The Ocean County Utilities Authority, acting pursuant to the Municipal and County Utilities Authorities Law of the State of New Jersey, N.J.S.A. 40:14B-1, et seq., has heretofore established rates for the services rendered by the Authority to Participants in the Authority's Regional Sewerage System at a rate of \$4,039 per million gallons of sewage discharged to the system in accordance with the terms of Article IV of the Service Agreement between the Authority and its Participants; and

WHEREAS, N.J.S.A. 40:14B-22 and Article IV of the Service Agreement between the Authority and its Participants authorized the Authority to charge and collect rates for the use of the Regional Sewerage System; and

WHEREAS, N.J.S.A. 40:14B-23 authorizes the Authority, when necessary, to revise its schedule of rates so that the revenues of the Authority will at all times be adequate to pay the expenses for the operation and maintenance of the system, including reserves, insurance, extensions, and replacements, and to pay the principal of interest on any bonds and to maintain such reserves or sinking funds therefore which may be required by the terms of any contract to the Authority or may be deemed necessary or desirable by the Authority; and

WHEREAS, Section 614 of the Authority's General Bond resolution adopted December 10, 1985, provides that the Authority shall fix its schedule of rates to enable a rate of charge to be in full force and effect on January 1 of the next ensuing fiscal year, which in the case of The Ocean County Utilities Authority shall be January 1, 2020; and

WHEREAS, pursuant to Section 614 of the Authority's General Bond Resolution, the Authority's consulting engineer, AECOM Technical Services, Inc., has filed the required certificate with the Authority with regard to the Authority's rate; and

WHEREAS, in accordance with the terms of N.J.S.A. 40:14B-23 and Article IV(B) of the Service Agreement between the Authority and its Participants, the Authority has given notice of the proposed rates for 2020; and

WHEREAS, the Authority, pursuant to such notice, conducted a public hearing on June 25, 2019, at which time the Authority set forth the reasons for maintaining the current bulk rate to its Participants;

NOW, THEREFORE, BE IT RESOLVED by the COMMISSIONERS of THE OCEAN COUNTY UTILITIES AUTHORITY as follows:

1. In accordance with N.J.S.A. 40:14B-22 and 23 and Article IV of the Service Agreement between the Authority and its Participants, the Authority hereby establishes the rate to be charged its Participants for service by the Authority for the conveyance, treatment and disposal of wastewater delivered to its regional sewerage system at \$4,039 per million gallons for the calendar year 2020.
2. In accordance with Article IV(B) of the Service Agreement between the Authority and its Participants, and further in accordance with Section 614 of the Authority's General Bond Resolution, scheduled rates shall go into effect on January 1, 2020.
3. This resolution is subject to the 10 day review period provided by S763 N.J.S.A. 40:14B-14.
4. A certified copy of this Resolution shall be mailed to:
 - (a) All Authority Participants
 - (b) Ocean County Board of Chosen Freeholders
 - (c) Monmouth County Board of Chosen Freeholders
 - (d) New Jersey Department of Environmental Protection
 - (e) Clerks of Municipalities Served by OCUA

I, KATHLEEN BALASSONE, Assistant Secretary of The Ocean County Utilities Authority, do hereby certify that the foregoing is a true copy of a Resolution adopted by The Ocean County Utilities Authority on the 27th day of June 2019.


Kathleen Balassone, Assistant Secretary

EXHIBIT D



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., MAXIM WASTEWATER DIVISION; FOR APPROVAL OF A 2017 PURCHASED WASTEWATER ADJUSTMENT CLAUSE TRUE-UP AND OTHER REQUIRED APPROVALS)	DECISION AND ORDER ADOPTING DECISION/SETTLEMENT
)	BPU DOCKET NO. WR18080882
)	OAL DOCKET NO. PUC12145-2018S

Parties of Record:

Courtney L. Schultz, Esq., Saul Ewing Arnstein & Lehr LLP, on behalf of Aqua New Jersey, Inc., Walkill Sewer Division
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On August 10, 2018, Aqua New Jersey, Inc., Maxim Wastewater Division ("Maxim," "Company," or "Petitioner"), a public utility of the State of New Jersey, filed a verified petition with the Board of Public Utilities ("Board") pursuant to N.J.A.C. 14:9-7.1 to 7.7 for approval of a Purchased Wastewater (Sewerage) Treatment Adjustment Clause ("PSTAC") true-up for calendar year 2017, and to set prospective rates for calendar year 2019 as required by N.J.A.C. 14:9-7.7.1(d) and 7.7. The Company originally filed for an overall increase in PSTAC revenues totaling \$47,997 or approximately 5.92% above current PSTAC revenues of \$810,361.

Maxim is a wastewater utility engaged in the collection and transmission of sewage. Maxim serves approximately 2,586 customers within a portion of Howell Township, Monmouth County, New Jersey. The Ocean County Municipal Utilities Authority ("OCMUA") receives and treats all of the sewage transmitted by Maxim.

By this Order, the Board considers a Stipulation of Settlement ("Stipulation") executed by the Petitioner, the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, "Parties"), agreeing to an overall increase in Petitioner's PSTAC revenues totaling \$44,647 or approximately 5.49% above current PSTAC revenues of \$813,711.

BACKGROUND/PROCEDURAL HISTORY

Petitioner's rates reflect the recovery of wastewater treatment charges imposed by OCMUA. The current PSTAC tariff was approved by the Board by Order dated November 21, 2017, in Docket No. WR17080871, which examined PSTAC revenues and expenses applicable to the period ending December 31, 2016 and set prospective rates for calendar year 2018.

On August 17, 2018, this matter was transmitted to the Office of Administrative Law ("OAL") as a contested case and was subsequently assigned to Administrative Law Judge ("ALJ") Tricia M. Caliguire. On September 13, 2018, a telephonic prehearing conference was conducted by ALJ Caliguire. After publication of notice in newspapers of general circulation in the Company's service territory, a public hearing was held on November 27, 2018,¹ in Howell, New Jersey. No members of the public attended the hearing or filed written comments with the Board.

STIPULATION²

Following discovery and settlement discussion, the Parties entered into the Stipulation that, among other things, provides for an overall increase in Maxim's PSTAC revenues totaling \$44,647, and are calculated based on the following components:

- a) An over-recovery of actual wastewater treatment charges of approximately \$21,106 for the calendar year ending December 31, 2017, with interest on this over-recovery calculated to be \$976, as set forth in Exhibit A of the Stipulation on pages 1-3 and 10, respectively;
- b) Projected OCMUA charges for 2019 of \$877,540 based on OCMUA rates effective for 2017 as set forth in Exhibit A of the Stipulation on, page 5;
- c) The total costs of this proceeding are deemed to be \$5,800 as set forth in Exhibit A of the Stipulation on page 4. These costs will be shared 50/50 between ratepayers and shareholders, resulting in a cost to customers of \$2,900 as set forth in Exhibit A of the Stipulation on page 7; and

¹ The public comment hearing was originally scheduled for October 30, 2018, but to ensure all required notices were effectuated in a timely manner, the public hearing was re-noticed and rescheduled on November 27, 2018.

² 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.

- d) The pro forma PSTAC present rate revenues are projected to be \$813,711 as set forth in Exhibit A of the Stipulation on page 6.

As required by N.J.A.C. 14:9-7.7, the Petitioner has included in its filing an estimate of OCMUA costs for calendar year 2019, which estimate has been used to determine the applicable PSTAC rate for 2019.

DISCUSSIONS AND FINDING

Based on the estimated costs for 2019, discovery responses, the over-recovery for 2017 with interest, and the costs of this proceeding, there is a total overall increase in PSTAC revenues of \$44,647. The Parties have agreed that Petitioner's current PSTAC volumetric rate on file with the Board should be revised to reflect an increase from \$304.53 per thousand gallons to \$321.24 per thousand gallons or an increase of approximately 5.49%, pursuant to the rates indicated on page 8 of Exhibit A and the proposed tariff attached to the Stipulation. This reflects an increase in the PSTAC volumetric rate of \$16.71 or approximately 5.49%.

Based upon the Stipulation, the average residential customer will see an annual increase in a wastewater bill from \$608.53 to \$625.77, which equates to an overall increase in the total wastewater bill of \$17.24 or approximately 2.83%.

ALJ Caliguire issued her Initial Decision recommending adoption of the Stipulation executed by the Parties, finding that they had voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues and is consistent with the law. Having reviewed the Initial Decision, as well as the Stipulation, the Board **HEREBY FINDS** that the Stipulation is reasonable, in the public interest, and in accordance with the law.

Therefore, the Board **HEREBY ADOPTS** the Initial Decision and the Stipulation, including all attachments and schedules, as its own, incorporating by reference the terms and conditions of the Stipulation, as if fully set forth at length herein, subject to the following:

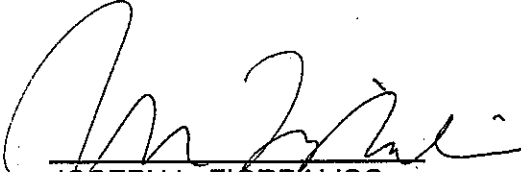
In accordance with the provisions of N.J.A.C. 14:9-7.3(c), the Petitioner shall file with the Board, no later than 45 days after the adjustment clause has been in effect for one year, or by February 28, 2020, whichever is earlier, a PSTAC true-up filing in connection with this proceeding. This filing shall include estimates of the OCMUA costs for calendar year 2020. Copies of the true-up filing shall be served upon all Parties to the present proceeding.

The Board **HEREBY DIRECTS** the Company to file tariff pages conforming to the terms and conditions of the Stipulation and this Order within 5 days from the effective date of this Order.

The effective date of this Order is December 28, 2018 with rates to become effective January 1, 2019.

DATED: 12/18/18

BOARD OF PUBLIC UTILITIES
BY:

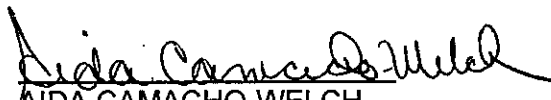

JOSEPH L. FIORDALISO
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER


ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

**In the Matter of the Petition of Aqua New Jersey, Inc., Maxim Wastewater Division,
For Approval of a 2017 Purchased Wastewater Treatment Adjustment Clause True-Up
and Other Required Approvals
BPU Docket No. WR18080882
OAL Docket No. PUC12145-2018S**

SERVICE LIST

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State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 12145-18

AGENCY DKT. NO. WR18080882

**IN THE MATTER OF THE PETITION
OF AQUA NEW JERSEY, INC., MAXIM
WASTEWATER DIVISION, FOR APPROVAL
OF A 2017 PURCHASED WASTEWATER
TREATMENT ADJUSTMENT CLAUSE TRUE-UP
AND OTHER REQUIRED APPROVALS.**

Courtney L. Schultz, Esq., for petitioner, Aqua New Jersey, Inc., Maxim Wastewater Division (Saul Ewing Arnstein & Lehr, attorneys)

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

Susan E. McClure and Debra Robinson, Assistant Deputies Rate Counsel, for Division of Rate Counsel (Stefanie A. Brand, Director)

Record Closed: December 3, 2018

Decided: December 6, 2018

OAL DKT. NO. PUC 12145-18

BEFORE TRICIA M. CALIGUIRE, ALJ:

On August 10, 2018, Aqua New Jersey, Inc., Maxim Wastewater Division (Aqua), filed a petition with the New Jersey Board of Public Utilities (Board) for approval of a purchased wastewater treatment adjustment clause (PSTAC) true-up for calendar year 2017, and to set prospective rates for calendar year 2019, pursuant to N.J.A.C. 14:9-7.1 et seq. The petition was transmitted to the Office of Administrative Law on August 23, 2018, for determination as a contested case. A telephone prehearing conference was held on September 13, 2018, and a prehearing order issued on September 18, 2018.

On November 27, 2018, a duly-noticed public hearing¹ was held in the Company's service territory, at Howell Township Municipal Building, 4567 Route 9 North, Second Floor, Howell, New Jersey. No members of the public appeared at the hearing; no members of the public submitted written comments on the petition.

On December 3, 2018, the parties filed a Stipulation of Settlement which resolves all issues in this proceeding. (J-3.) 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.

¹ In the attached Stipulation of Settlement, the parties state that the undersigned presided at the public hearing, but the Honorable Mary Ann Bogan, ALJ, presided at the hearing.

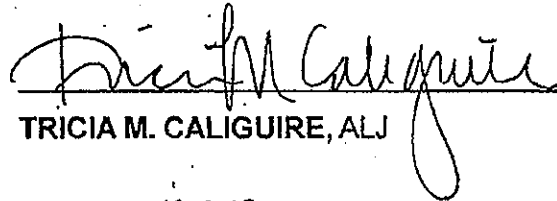
OAL DKT. NO. PUC 12145-18

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 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.

December 6, 2018

DATE


TRICIA M. CALIGUIRE, ALJ

Date Received at Agency:

12-7-18

Date Mailed to Parties:

nd

OAL DKT. NO. PUC 12145-18

APPENDIX

EXHIBITS

Jointly Submitted:

J-1 Stipulation of Settlement

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

RECEIVED

2018 DEC -3 P 1:16

IN THE MATTER OF THE PETITION
OF AQUA NEW JERSEY, INC.,
MAXIM WASTEWATER DIVISION,
FOR APPROVAL OF A 2017
PURCHASED WASTEWATER
TREATMENT ADJUSTMENT CLAUSE
TRUE-UP AND OTHER REQUIRED
APPROVALS

STIPULATION OF SETTLEMENT
BPU DOCKET NO. WR18080882
OAL DOCKET NO. PUC12145-2018S

APPEARANCES:

Courtney L. Schultz, Esq., Saul Ewing Arnstein & Lehr LLP, and Kimberly A. Joyce, Esq., Aqua America, Inc., on behalf of the Petitioner, Aqua New Jersey, Inc., Maxim Wastewater Division

Debra F. Robinson, Managing Attorney, and Susan E. McClure, Esq., Assistant Deputy Rate Counsel, on behalf of the Division of Rate Counsel

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

TO THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES:

The Parties that have participated in this proceeding are Aqua New Jersey, Inc., the Maxim Wastewater Division ("Aqua," "Company," or "Petitioner"), the Division of Rate Counsel ("Rate Counsel"), and the Staff of the Board of Public Utilities ("Staff") (collectively, the "Parties"). There were no intervenors in this proceeding. As a result of an analysis of Aqua's Petition and exhibits, discovery conducted by Rate Counsel and Staff, conferences and negotiations, the Parties to this proceeding have come to the within agreement. The Parties hereto agree and stipulate as follows:

1. Petitioner operates a sewage collection and transmission system within a portion of the Township of Howell, New Jersey. Petitioner serves approximately 2,586 customers within its service territory. Aqua New Jersey, Inc. is a public utility corporation of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities (the "Board"). Aqua's principal business office is located at 10 Black Forest Road, Hamilton, New Jersey 08691.

2. On August 10, 2018 pursuant to N.J.A.C. 14:9-7.1 to -7.7, Aqua filed the above-captioned Petition with the Board, which was later assigned BPU Docket No. WR18080882, for approval of a purchased sewerage treatment adjustment clause ("PSTAC") true-up for calendar year 2017, and to set prospective rates for calendar year 2019 as required by N.J.A.C. 14:9-7.1(d) and 14:9-7.7. Aqua will true-up 2018 PSTAC revenues and rates in its 2019 PSTAC filing, and commits that it will make this filing on a timely basis.

3. On August 17, 2018, the matter was transmitted to the Office of Administrative Law ("OAL") and was later assigned to the Honorable Administrative Law Judge ("ALJ") Tricia Caliguire for review and disposition.

4. On September 13, 2018, a telephonic prehearing conference was held before ALJ Caliguire, after which a Prehearing Order was issued by ALJ Caliguire on September 18, 2018.

5. A public comment hearing was scheduled for November 27, 2018, and all requisite notices were given, including notice by publication in the Asbury Park Press on October 30, 2018.¹

6. On November 5, 2018, a second telephonic prehearing conference was held before ALJ Caliguire.

¹ The public hearing was originally scheduled for October 30, 2018, but in order to ensure all requisite notices could be timely given, the hearing was rescheduled.

7. On November 27, 2018 a public hearing was held at the Howell Township Municipal Building, at 5:30 p.m., over which ALJ Caliguire presided. No members of the public appeared.

8. Petitioner's rates reflect the recovery of wastewater treatment charges imposed by the Ocean County Utilities Authority ("OCUA"). The current PSTAC tariff was approved by the Board in an Order in Docket No. WR17080871, dated November 21, 2017, which examined PSTAC revenues and expenses applicable to the period ending December 31, 2016 and set prospective rates for calendar year 2018.

9. In this proceeding, the Parties have examined the Company's actual revenues and actual OCUA expenses for calendar year 2017, the Company's projected OCUA expenses for 2019, as well as the costs of this proceeding. Based on the foregoing, the Parties have determined that the current PSTAC rate should be increased to recover an additional \$44,647 in revenues. The \$44,647 PSTAC increase was calculated based on the following components:

a) an over-recovery of actual wastewater treatment charges of approximately \$21,106 for the calendar year ending December 31, 2017 (See Exhibit A, attached hereto, pages 1 to 3), with the interest on this over-recovery calculated to be \$976 (See Exhibit A, page 11);

b) projected OCUA charges for 2019 of \$877,540 based on OCUA rates effective for 2018 (See Exhibit A, page 5);

c) the total costs of this proceeding are deemed to be \$5,800 (See Exhibit A, page 4). These costs will be shared 50/50 between ratepayers and shareholders, resulting in a cost to customers of \$2,900 (See Exhibit A, page 7); and

d) the pro forma PSTAC revenues at current rates are projected to be \$813,711 (See Exhibit A, page 6).

10. As required in N.J.A.C. 14:9-7.7, the Company has included in its filing an estimate of OCUA costs for calendar year 2019, which estimate has been used to determine the applicable PSTAC rate for 2019.

11. Based on the estimated costs for 2019, the over-recovery for 2017 (including interest), and the costs of this proceeding, the Parties have agreed that Petitioner's current PSTAC rates on file with the Board should be increased as indicated on Exhibit A. For the average residential customer, the total annual flat PSTAC rate will increase from \$304.53 to \$321.24, or approximately 5.49% (See Exhibit A, page 8). With respect to the total annual rate for wastewater services, the total annual rate for the average residential customer will increase from \$608.53 to \$625.77, or approximately 2.83% (See Exhibit A, page 10).

12. Consistent with the provisions of N.J.A.C. 14:9-7.1 to -7.7, the Parties agree that the Company will file with the Board a PSTAC petition to reconcile calendar year 2018 actual OCUA costs with the estimated OCUA costs (as reflected in the rates identified on Exhibit A) for the same period. Additionally, the Company will include in its filing an estimate of OCUA costs for calendar year 2020, which estimate will be used to determine the applicable PSTAC rate for 2020, as required in N.J.A.C. 14:9-7.1(d) and 14:9-7.7.

13. The Parties have engaged in full discovery. The Parties agree that the within Stipulation reflects a mutual balancing of various issues and positions, and that it is being entered into in the spirit of compromise and to avoid protracted and costly litigation.

14. This Stipulation is the product of 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.

15. The Parties agree that each term within this 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.

16. The Parties further agree that with respect to any policy or other issues which were compromised 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. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, the Parties shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposedly underlying any agreement provided herein in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

17. This Stipulation may be executed in as many counterparts as there are Parties to 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.
MAXIM WASTEWATER DIVISION

11/20/18
Date

By: Courtney L. Schultz
Saul Ewing Arnstein & Lehr LLP
Courtney L. Schultz, Esq.
Attorney for Petitioner

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

Date

By: _____
Rence Greenberg
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
DIRECTOR – RATE COUNSEL

Date

By: _____
Susan McClure, Esq.
Assistant Deputy Rate Counsel

17. This Stipulation may be executed in as many counterparts as there are Parties to 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.
MAXIM WASTEWATER DIVISION

11/28/18
Date

By: Courtney L. Schultz
Saul Ewing Arnstein & Lehr LLP
Courtney L. Schultz, Esq.
Attorney for Petitioner

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

11/28/2018
Date

By: Renee Greenberg
Renee Greenberg
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
DIRECTOR - RATE COUNSEL

Date

By: _____
Susan McClure, Esq.
Assistant Deputy Rate Counsel

17. This Stipulation may be executed in as many counterparts as there are Parties to 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.
MAXIM WASTEWATER DIVISION

11/28/18
Date

By: Courtney L. Schultz
Saul Ewing Arnstein & Lehr LLP
Courtney L. Schultz, Esq.
Attorney for Petitioner

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

Date

By: _____
Renee Greenberg
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
DIRECTOR - RATE COUNSEL

11/28/18
Date

By: [Signature]
Susan McClure, Esq.
Assistant Deputy Rate Counsel

EXHIBIT A

EXHIBIT A

**Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2017**

A.) 2017 Treatment Expenses Paid to OCUA:

<u>Quarter</u>	<u>Gallons Billed</u>	<u>Amount</u>	<u>Invoice #</u>	<u>Reference</u>
Q1	60.00	\$228,068	1800019460	
Q2	60.00	\$228,068	1800019627	
Q3	60.00	\$228,068	1800019891	
Q4	60.00	\$228,068	1800020146	
Credit		(\$59,395)		
Total 2017 Actual Treatment Expense	240.00	\$852,877		Exhibit B

Exhibit F
2 of 10
(Revised as of 10/11/18)

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2017

B.1 2017 Revenues Billed to Maxim Customers:

<u>Class</u>	<u>Customers</u>	<u>Meter Size</u>	<u>Amount</u>	<u>Rate</u>	<u>% of Revenue</u>	
Residential - Single Family	2,540		\$810,489	\$319.09	95.45%	
Commercial Industrial, School, Business, & Religious	25	3/4"	\$7,977	\$319.09	0.94%	95
Commercial Industrial, School, Business, & Religious	1	1"	\$532	\$532.18	0.05%	159
Commercial Industrial, School, Business, & Religious	-	1 1/2"	\$0	\$1,095.43	0.00%	327
Commercial Industrial, School, Business, & Religious	8	2"	\$13,687	\$1,698.36	1.60%	507
Commercial Industrial, School, Business, & Religious	-	3"	\$0	\$3,287.37	0.00%	981
Commercial Industrial, School, Business & Religious	1	4"	\$5,314	\$5,314.20	0.63%	1,585
Subtotal:	2,575		\$837,899		98.68%	

<u>Customer #</u>	<u>Meter Size</u>	<u>Min. Bill</u>	<u>In Kgals</u>			<u>% of Revenue</u>
			<u>Over Minimum</u>	<u>Min. Gallons</u>	<u>Gallons Billed</u>	
991661	3/4"		54	95	149	
991662	3/4"		37	95	133	
991679	2"		2,072	507	2,579	
991683	2"		413	507	919	
991685	2"		50	507	557	
2073299	3/4"		1	95	96	
2061674	3/4"		67	95	162	
2307454	3/4"		460	95	555	
2111109	3/4"		189	95	284	
Subtotal Gallons:			3,342			
Rate / 1,000 gallons			\$3.352			
Subtotal Commerical Revenues over Minimum			\$11,203			1.32%
Total Revenues Billed 2017:			\$849,102			

Exhibit F
3 of 10
(Revised as of 10/11/18)

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2017

C.) 2017 Reconciliation - Over/(Under) Recovery:

			<u>Reference</u>
C.1)	Actual Revenue 2017	\$849,102	B.)
	Prospective Revenue Authorized 2017	<u>\$843,927</u>	Exhibit A
	Over/(Under) Recovery 2017	<u>\$5,175</u>	
C.2)	Actual Expense 2017	\$852,877	A.)
	Projected Expense 2017	<u>\$868,808</u>	Exhibit A Page 2 Sub B
	Over/(Under) Recovery 2017	<u>\$15,931</u>	
	Total Over/(Under) Recovery 2017	\$21,105	

**Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2017**

D.) Cost of Filing Application:

	<u>Amount</u>
Legal	\$5,800
Notification- & Other	\$0
Transcripts	\$0
Total	<u>\$5,800</u>

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2017

E.) Prospective 2019 Rate Adjustment:

- 1.) Projected 2019 Sewage Volume (in millions)
- 2.) Proposed 2019 OCUA Bulk Rate
- 3.) Projected Calendar Year 2019 Billings by OCUA
- 4.) Projected 2018 OCUA Billings
- 5.) Prospective Adj. for Rates Effective 1/1/2017

<u>Calculation</u>	<u>Reference</u>
217.27	Footnote (a)
<u>\$4,039</u>	Exhibit C
\$877,540	Lines 1.) x 2.)
\$873,708	
<u><u>\$3,832</u></u>	Lines 3.) - 4.)

Year	Volume
2015	223.4
2016	208.7
2017	219.7
3 Yr Avg	217.3

Exhibit F
6 of 10

(Revised as of 10/11/18)

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2017

F.) Estimated PSTAC Revenue at Present Rates (2018):

<u>Class</u>	<u>Customers</u>	<u>Meter Size</u>	2018 <u>Current</u> <u>Rate</u>	<u>PSTAC Revenue</u> <u>at Present Rates</u>	<u>% of Revenue</u>
Residential - Single Family	2,551	-	\$304.53	\$776,856.03	95.47%
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$304.53	\$7,613.25	0.94%
Commercial, Industrial, School, Business, & Religious	1	1"	\$507.90	\$507.90	0.06%
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$1,045.46	\$0.00	0.00%
Commercial, Industrial, School, Business, & Religious	8	2"	\$1,620.88	\$12,967.04	1.59%
Commercial, Industrial, School, Business, & Religious	-	3"	\$3,137.40	\$0.00	0.00%
Commercial, Industrial, School, Business, & Religious	1	4"	\$5,071.77	\$5,071.77	0.62%
Total:					
Commercial Metered Service Rate / 1,000 gallons =	3,342		\$3.200	\$10,695.12	1.31%
Total PSTAC Revenue at Present Rates =>				\$813,711.11	

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2017

G.) PSTAC Calculation:

	<u>Amount</u>	<u>Reference</u>
1.) Projected 2019 Calendar Year Billings by OCUA	\$877,540	E.)
2.) Over Recovery 2017	(\$21,106)	C.)
3.) Interest on Over Recovery	(\$976)	Exhibit F Page 11
4.) Cost of Filing Application (\$5,800 x 50%)	\$2,900	D.)
5.) 2019 PSTAC Revenue Requirement	<u>\$858,358</u>	Sum Lines 1 thru 3
6.) PSTAC Revenue at Present (2018 Rates)	<u>\$813,711</u>	F.)
7.) Subtotal PSTAC Adjustment 2019	<u>\$44,647</u>	Line 4 minus Line 5

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2017

H.) Rate Design:

<u>Class</u>	<u>Customers</u>	<u>Meter Size</u>	<u>2018 Current Rate</u>	<u>% of Revenue</u>	<u>Assessment</u>	<u>2019 New Rate</u>	<u>% Change</u>
Residential - Single Family	2,551	-	\$304.53	95.47%	\$42,624.82	\$321.24	5.487%
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$304.53	0.94%	\$417.73	\$321.24	5.487%
Commercial, Industrial, School, Business, & Religious	1	1"	\$507.90	0.06%	\$27.87	\$535.77	5.487%
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$1,045.46	0.00%	\$0.00	\$1,102.82	5.487%
Commercial, Industrial, School, Business, & Religious	8	2"	\$1,620.88	1.59%	\$711.48	\$1,709.82	5.487%
Commercial, Industrial, School, Business, & Religious	-	3"	\$3,137.40	0.00%	\$0.00	\$3,309.54	5.487%
Commercial, Industrial, School, Business, & Religious	1	4"	\$5,071.77	0.62%	\$278.28	\$5,350.05	5.487%
Total:					<u>\$44,060</u>		
Commercial Metered Service Rate / 1,000 gallons =			\$3.200	1.31%	\$586.82	\$3,376	5.487%
Total Revenue Assessed					<u>\$44,647</u>		

Exhibit F
9 of 10

(Revised as of 10/11/18)

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2017

l.) Proof of Revenue:

<u>Class</u>	<u>Customers/Gallons</u>	<u>Meter Size</u>	<u>New Rate</u>	<u>Prospective 2019 Revenue</u>
Residential - Single Family	2,551	-	\$321.24	\$819,480.85
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$321.24	\$8,030.98
Commercial, Industrial, School, Business, & Religious	1	1"	\$535.77	\$535.77
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$1,102.82	\$0.00
Commercial, Industrial, School, Business, & Religious	8	2"	\$1,709.82	\$13,678.52
Commercial, Industrial, School, Business, & Religious	-	3"	\$3,309.54	\$0.00
Commercial, Industrial, School, Business, & Religious	1	4"	\$5,350.05	\$5,350.05
Commercial over Minimum Gallons	3,342	Kgals	\$3.376	\$11,281.94
Total:				<u>\$858,358</u>

Exhibit F
10 of 10

2017 Maxim PSTAC True Up

Interest Calculation (Rate = 30 Yr Treasury @ 12/31/17 => 2.74%, @ 7/24/18 = 3.08%)

Month	Year	Refund*	APR %	Month % Rate	Interest
January	2017	\$ 1,758.83	0.0274	0.00228	4.02
February	2017	3,521.68	0.0274	0.00228	8.04
March	2017	5,284.54	0.0274	0.00228	12.07
April	2017	7,047.40	0.0274	0.00228	16.09
May	2017	8,810.26	0.0274	0.00228	20.12
June	2017	10,573.12	0.0274	0.00228	24.14
July	2017	12,335.98	0.0274	0.00228	28.17
August	2017	14,098.83	0.0274	0.00228	32.19
September	2017	15,861.69	0.0274	0.00228	36.22
October	2017	17,624.55	0.0274	0.00228	40.24
November	2017	19,387.41	0.0274	0.00228	44.27
December	2017	21,150.27	0.0274	0.00228	48.29
January	2018	21,198.56	0.0308	0.00257	54.41
February	2018	21,252.97	0.0308	0.00257	54.55
March	2018	21,307.52	0.0308	0.00257	54.69
April	2018	21,362.21	0.0308	0.00257	54.83
May	2018	21,417.04	0.0308	0.00257	54.97
June	2018	21,472.01	0.0308	0.00257	55.11
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September	2018	21,637.77	0.0308	0.00257	55.54
October	2018	21,693.31	0.0308	0.00257	55.68
November	2018	21,748.98	0.0308	0.00257	55.82
December	2018	21,804.81	0.0308	0.00257	55.97

* 2017 Over-Recovery \$21,106 pro-rated

Total Interest to be Refunded to Customers

\$ 976

1. Petitioner operates a sewage collection and transmission system within a portion of the Township of Howell, New Jersey. Petitioner serves approximately 2,586 customers within its service territory. Aqua New Jersey, Inc. is a public utility corporation of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities (the "Board"). Aqua's principal business office is located at 10 Black Forest Road, Hamilton, New Jersey 08691.

2. On August 10, 2018 pursuant to N.J.A.C. 14:9-7.1 to -7.7, Aqua filed the above-captioned Petition with the Board, which was later assigned BPU Docket No. WR18080882. for approval of a purchased sewerage treatment adjustment clause ("PSTAC") true-up for calendar year 2017, and to set prospective rates for calendar year 2019 as required by N.J.A.C. 14:9-7.1(d) and 14:9-7.7. Aqua will true-up 2018 PSTAC revenues and rates in its 2019 PSTAC filing, and commits that it will make this filing on a timely basis.

3. On August 17, 2018, the matter was transmitted to the Office of Administrative Law ("OAL") and was later assigned to the Honorable Administrative Law Judge ("ALJ") Tricia Caliguire for review and disposition.

4. On September 13, 2018, a telephonic prehearing conference was held before ALJ Caliguire, after which a Prehearing Order was issued by ALJ Caliguire on September 18, 2018.

5. A public comment hearing was scheduled for November 27, 2018, and all requisite notices were given, including notice by publication in the Asbury Park Press on October 30, 2018.¹

6. On November 5, 2018, a second telephonic prehearing conference was held before ALJ Caliguire.

¹ The public hearing was originally scheduled for October 30, 2018, but in order to ensure all requisite notices could be timely given, the hearing was rescheduled.

7. On November 27, 2018 a public hearing was held at the Howell Township Municipal Building, at 5:30 p.m., over which ALJ Caliguire presided. No members of the public appeared.

8. Petitioner's rates reflect the recovery of wastewater treatment charges imposed by the Ocean County Utilities Authority ("OCUA"). The current PSTAC tariff was approved by the Board in an Order in Docket No. WR17080871, dated November 21, 2017, which examined PSTAC revenues and expenses applicable to the period ending December 31, 2016 and set prospective rates for calendar year 2018.

9. In this proceeding, the Parties have examined the Company's actual revenues and actual OCUA expenses for calendar year 2017, the Company's projected OCUA expenses for 2019, as well as the costs of this proceeding. Based on the foregoing, the Parties have determined that the current PSTAC rate should be increased to recover an additional \$44,647 in revenues. The \$44,647 PSTAC increase was calculated based on the following components:

a) an over-recovery of actual wastewater treatment charges of approximately \$21,106 for the calendar year ending December 31, 2017 (See Exhibit A, attached hereto, pages 1 to 3), with the interest on this over-recovery calculated to be \$976 (See Exhibit A, page 11);

b) projected OCUA charges for 2019 of \$877,540 based on OCUA rates effective for 2018 (See Exhibit A, page 5);

c) the total costs of this proceeding are deemed to be \$5,800 (See Exhibit A, page 4). These costs will be shared 50/50 between ratepayers and shareholders, resulting in a cost to customers of \$2,900 (See Exhibit A, page 7); and

d) the pro forma PSTAC revenues at current rates are projected to be \$813,711 (See Exhibit A, page 6).

10. As required in N.J.A.C. 14:9-7.7, the Company has included in its filing an estimate of OCUA costs for calendar year 2019, which estimate has been used to determine the applicable PSTAC rate for 2019.

11. Based on the estimated costs for 2019, the over-recovery for 2017 (including interest), and the costs of this proceeding, the Parties have agreed that Petitioner's current PSTAC rates on file with the Board should be increased as indicated on Exhibit A. For the average residential customer, the total annual flat PSTAC rate will increase from \$304.53 to \$321.24, or approximately 5.49% (See Exhibit A, page 8). With respect to the total annual rate for wastewater services, the total annual rate for the average residential customer will increase from \$608.53 to \$625.77, or approximately 2.83% (See Exhibit A, page 10).

12. Consistent with the provisions of N.J.A.C. 14:9-7.1 to -7.7, the Parties agree that the Company will file with the Board a PSTAC petition to reconcile calendar year 2018 actual OCUA costs with the estimated OCUA costs (as reflected in the rates identified on Exhibit A) for the same period. Additionally, the Company will include in its filing an estimate of OCUA costs for calendar year 2020, which estimate will be used to determine the applicable PSTAC rate for 2020, as required in N.J.A.C. 14:9-7.1(d) and 14:9-7.7.

13. The Parties have engaged in full discovery. The Parties agree that the within Stipulation reflects a mutual balancing of various issues and positions, and that it is being entered into in the spirit of compromise and to avoid protracted and costly litigation.

14. This Stipulation is the product of 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.

15. The Parties agree that each term within this 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.

16. The Parties further agree that with respect to any policy or other issues which were compromised 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. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, the Parties shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposedly underlying any agreement provided herein in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

17. This Stipulation may be executed in as many counterparts as there are Parties to 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.
MAXIM WASTEWATER DIVISION

11/28/18
Date

By: Courtney L. Schultz
Saul Ewing Arnstein & Lehr LLP
Courtney L. Schultz, Esq.
Attorney for Petitioner

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

Date

By: _____
Rence Greenberg
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
DIRECTOR – RATE COUNSEL

Date

By: _____
Susan McClure, Esq.
Assistant Deputy Rate Counsel

17. This Stipulation may be executed in as many counterparts as there are Parties to 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.
MAXIM WASTEWATER DIVISION

11/28/18
Date

By: Courtney L. Schultz
Saul Ewing Arnstein & Lehr LLP
Courtney L. Schultz, Esq.
Attorney for Petitioner

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

11/28/2018
Date

By: Renee Greenberg
Renee Greenberg
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
DIRECTOR – RATE COUNSEL

Date

By: _____
Susan McClure, Esq.
Assistant Deputy Rate Counsel

17. This Stipulation may be executed in as many counterparts as there are Parties to 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.
MAXIM WASTEWATER DIVISION

11/28/18
Date

By: Courtney L. Schultz
Saul Ewing Arnstein & Lehr LLP
Courtney L. Schultz, Esq.
Attorney for Petitioner

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

Date

By: _____
Renee Greenberg
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
DIRECTOR – RATE COUNSEL

11/28/18
Date

By: [Signature]
Susan McClure, Esq.
Assistant Deputy Rate Counsel

EXHIBIT A

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2017

A.) 2017 Treatment Expenses Paid to OCUA:

<u>Quarter</u>	<u>Gallons Billed</u>	<u>Amount</u>	<u>Invoice #</u>	<u>Reference</u>
Q1	60.00	\$228,068	1800019460	
Q2	60.00	\$228,068	1800019627	
Q3	60.00	\$228,068	1800019891	
Q4	60.00	\$228,068	1800020146	
Credit		(\$59,395)		
Total 2017 Actual Treatment Expense	240.00	\$852,877		Exhibit B

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2017

B.) 2017 Revenues Billed to Maxim Customers:

<u>Class</u>	<u>Customers</u>	<u>Meter Size</u>	<u>Amount</u>	<u>Rate</u>	<u>% of Revenue</u>	
Residential - Single Family	2,540		\$810,489	\$319.09	95.45%	
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$7,977	\$319.09	0.94%	95
Commercial, Industrial, School, Business, & Religious	1	1"	\$532	\$532.18	0.06%	159
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$0	\$1,095.43	0.00%	327
Commercial, Industrial, School, Business, & Religious	8	2"	\$13,587	\$1,698.36	1.60%	507
Commercial, Industrial, School, Business, & Religious	-	3"	\$0	\$3,287.37	0.00%	981
Commercial, Industrial, School, Business, & Religious	1	4"	\$5,314	\$5,314.20	0.63%	1,585
Subtotal:	2,575		\$837,899		98.68%	

<u>Customer #</u>	<u>Meter Size</u>	<u>Min. Bill</u>	<u>In Kgals</u>			<u>% of Revenue</u>
			<u>Over Minimum</u>	<u>Min. Gallons</u>	<u>Gallons Billed</u>	
991661	3/4"		54	95	149	
991662	3/4"		37	95	133	
991679	2"		2,072	507	2,579	
991683	2"		413	507	919	
991685	2"		50	507	557	
2073299	3/4"		1	95	96	
2061674	3/4"		67	95	162	
2307454	3/4"		460	95	555	
2111109	3/4"		189	95	284	
Subtotal Gallons:			3,342			
Rate / 1,000 gallons			\$3.352			
Subtotal Commerical Revenues over Minimum			\$11,203			1.32%
Total Revenues Billed 2017:			\$849,102			

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2017

C.) 2017 Reconciliation - Over/(Under) Recovery:

			<u>Reference</u>
C.1)	Actual Revenue 2017	\$849,102	B.)
	Prospective Revenue Authorized 2017	\$843,927	Exhibit A
	Over/(Under) Recovery 2017	<u>\$5,175</u>	
C.2)	Actual Expense 2017	\$852,877	A.)
	Projected Expense 2017	\$868,808	Exhibit A Page 2 Sub B
	Over/(Under) Recovery 2017	<u>\$15,931</u>	
	Total Over/(Under) Recovery 2017	\$21,106	

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2017

D.) Cost of Filing Application:

	<u>Amount</u>
Legal	\$5,800
Notification- & Other	\$0
Transcripts	\$0
Total	<u>\$5,800</u>

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2017

E.) Prospective 2019 Rate Adjustment:

- 1.) Projected 2019 Sewage Volume (in millions)
- 2.) Proposed 2019 OCUA Bulk Rate
- 3.) Projected Calendar Year 2019 Billings by OCUA
- 4.) Projected 2018 OCUA Billings
- 5.) Prospective Adj. for Rates Effective 1/1/2017

<u>Calculation</u>	<u>Reference</u>
217.27	Footnote (a)
<u>\$4,039</u>	Exhibit C
<u>\$877,540</u>	Lines 1.) x 2.)
<u>\$873,708</u>	
<u><u>\$3,832</u></u>	Lines 3.) - 4.)

Year	Volume
2015	223.4
2016	208.7
2017	219.7
3 Yr Avg	217.3

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2017

F.) Estimated PSTAC Revenue at Present Rates (2018):

<u>Class</u>	<u>Customers</u>	<u>Meter Size</u>	<u>2018 Current Rate</u>	<u>PSTAC Revenue at Present Rates</u>	<u>% of Revenue</u>
Residential - Single Family	2,551	-	\$304.53	\$776,856.03	95.47%
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$304.53	\$7,613.25	0.94%
Commercial, Industrial, School, Business, & Religious	1	1"	\$507.90	\$507.90	0.06%
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$1,045.46	\$0.00	0.00%
Commercial, Industrial, School, Business, & Religious	8	2"	\$1,620.88	\$12,967.04	1.59%
Commercial, Industrial, School, Business, & Religious	-	3"	\$3,137.40	\$0.00	0.00%
Commercial, Industrial, School, Business, & Religious	1	4"	\$5,071.77	\$5,071.77	0.62%
Total:					
Commercial Metered Service Rate / 1,000 gallons =	3,342		\$3.200	\$10,695.12	1.31%
Total PSTAC Revenue at Present Rates =>				<u><u>\$813,711.11</u></u>	

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2017

G.) PSTAC Calculation:

	<u>Amount</u>	<u>Reference</u>
1.) Projected 2019 Calendar Year Billings by OCUA	\$877,540	E.)
2.) Over Recovery 2017	(\$21,106)	C.)
3.) Interest on Over Recovery	(\$976)	Exhibit F Page 11
4.) Cost of Filing Application (\$5,800 x 50%)	\$2,900	D.)
5.) 2019 PSTAC Revenue Requirement	<u>\$858,358</u>	Sum Lines 1 thru 3
6.) PSTAC Revenue at Present (2018 Rates)	<u>\$813,711</u>	F.)
7.) Subtotal PSTAC Adjustment 2019	<u>\$44,647</u>	Line 4 minus Line 5

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2017

H.) Rate Design:

<u>Class</u>	<u>Customers</u>	<u>Meter Size</u>	<u>2018 Current Rate</u>	<u>% of Revenue</u>	<u>Assessment</u>	<u>2019 New Rate</u>	<u>% Change</u>
Residential - Single Family	2,551	-	\$304.53	95.47%	\$42,624.82	\$321.24	5.487%
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$304.53	0.94%	\$417.73	\$321.24	5.487%
Commercial, Industrial, School, Business, & Religious	1	1"	\$507.90	0.06%	\$27.87	\$535.77	5.487%
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$1,045.46	0.00%	\$0.00	\$1,102.82	5.487%
Commercial, Industrial, School, Business, & Religious	8	2"	\$1,620.88	1.59%	\$711.48	\$1,709.82	5.487%
Commercial, Industrial, School, Business, & Religious	-	3"	\$3,137.40	0.00%	\$0.00	\$3,309.54	5.487%
Commercial, Industrial, School, Business, & Religious	1	4"	\$5,071.77	0.62%	\$278.28	\$5,350.05	5.487%
Total:					<u>\$44,060</u>		
Commercial Metered Service Rate / 1,000 gallons =			\$3.200	1.31%	\$586.82	\$3.376	5.487%
Total Revenue Assessed					<u><u>\$44,647</u></u>		

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2017

l.) Proof of Revenue:

<u>Class</u>	<u>Customers/Gallons</u>	<u>Meter Size</u>	<u>New Rate</u>	<u>Prospective 2019 Revenue</u>
Residential - Single Family	2,551	-	\$321.24	\$819,480.85
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$321.24	\$8,030.98
Commercial, Industrial, School, Business, & Religious	1	1"	\$535.77	\$535.77
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$1,102.82	\$0.00
Commercial, Industrial, School, Business, & Religious	8	2"	\$1,709.82	\$13,678.52
Commercial, Industrial, School, Business, & Religious	-	3"	\$3,309.54	\$0.00
Commercial, Industrial, School, Business, & Religious	1	4"	\$5,350.05	\$5,350.05
Commerical over Minimum Gallons	3,342	Kgals.	\$3.376	\$11,281.94
Total:				<u><u>\$858,358</u></u>

2017 Maxim PSTAC True Up

Interest Calculation (Rate = 30 Yr Treasury @ 12/31/17 => 2.74%, @ 7/24/18 = 3.08%)

Month	Year	Refund*	APR %	Month % Rate	Interest
January	2017	\$ 1,758.83	0.0274	0.00228	4.02
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April	2017	7,047.40	0.0274	0.00228	16.09
May	2017	8,810.26	0.0274	0.00228	20.12
June	2017	10,573.12	0.0274	0.00228	24.14
July	2017	12,335.98	0.0274	0.00228	28.17
August	2017	14,098.83	0.0274	0.00228	32.19
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May	2018	21,417.04	0.0308	0.00257	54.97
June	2018	21,472.01	0.0308	0.00257	55.11
July	2018	21,527.12	0.0308	0.00257	55.25
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September	2018	21,637.77	0.0308	0.00257	55.54
October	2018	21,693.31	0.0308	0.00257	55.68
November	2018	21,748.98	0.0308	0.00257	55.82
December	2018	21,804.81	0.0308	0.00257	55.97

* 2017 Over-Recovery \$21,106 pro-rated

Total Interest to be Refunded to Customers

\$ 976

EXHIBIT E

PURCHASED SEWERAGE TREATMENT ADJUSTMENT CLAUSE

APPLICABILITY:

In addition to the Base Service Charge set forth in Rate Schedule No. 4, the following Purchased Sewerage Treatment Adjustment Clause rates, in accordance with N.J.A.C. 14:9-8.1 et seq., are applicable to the use of sewer service for Customers served by the Company in portions of Howell Township.

RATE:

	<u>Fixed Service Charge</u> <u>Amount Per Month</u>
<u>Residential</u>	
Single Family Dwelling	\$ 26.77
Apartment Dwelling (Each Apt.)	26.77

Business, Commercial, Industrial, Religious and School Use:

*Minimum charges for sewer service shall be based on water meter size.

<u>Size of Water Meter</u> <u>(Inches)</u>	<u>Fixed Service Charge</u> <u>Amount Per Month</u>
3/4"	\$ 26.77
1"	44.65
1 1/2"	91.90
2"	142.49
3"	275.80
4"	445.84

Usage Charge Rate/1000 gallons

General Metered Consumption \$ 3.376

*When water meter readings are available, the Customer shall be billed at a rate of \$3.38 per thousand gallons, or the minimum PSTAC charge, whichever is greater. If the water is privately supplied, Aqua New Jersey, Inc. shall be permitted to install a meter at the source of supply.

*The above charges are based upon the Board of Public Utilities' ("Board") estimate of Aqua New Jersey, Inc.'s 12-month average cost of purchased sewerage treatment by the Company's Maxim Sewer Division. The estimated 12-month average cost shall be periodically redetermined by the Board in accordance with true-up procedures set forth in N.J.A.C. 14:9-8.1 et seq.

Issued: December 21, 2018

Effective Date: January 1, 2019

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

Filed pursuant to decision and Order of Board of Public Utilities dated December 18, 2018, in Docket No. WR18080882.

AQUA NEW JERSEY, INC. - MAXIM
B.P.U. NO. 17 - SEWER

ORIGINAL SHEET NO. 4D.1

TERMS OF PAYMENT:

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

Issued: December 21, 2018

Effective Date: January 1, 2019

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

Filed pursuant to decision and Order of Board of Public Utilities dated December 18, 2018, in Docket No. WR18080882.

PURCHASED SEWERAGE TREATMENT ADJUSTMENT CLAUSE

APPLICABILITY:

In addition to the Base Service Charge set forth in Rate Schedule No. 4, the following Purchased Sewerage Treatment Adjustment Clause rates, in accordance with N.J.A.C. 14:9-8.1 et seq., are applicable to the use of sewer service for Customers served by the Company in portions of Howell Township.

RATE:

	<u>Fixed Service Charge</u> <u>Amount Per Month</u>
<u>Residential</u>	
Single Family Dwelling	\$ 31.92
Apartment Dwelling (Each Apt.)	31.92

Business, Commercial, Industrial, Religious and School Use:

*Minimum charges for sewer service shall be based on water meter size.

<u>Size of Water Meter</u> <u>(Inches)</u>	<u>Fixed Service Charge</u> <u>Amount Per Month</u>
3/4"	\$ 31.92
1"	53.23
1 1/2"	109.57
2"	169.88
3"	328.82
4"	531.56

Usage Charge Rate/1000 gallons

General Metered Consumption \$ 4.025

*When water meter readings are available, the Customer shall be billed at a rate of \$4.03 per thousand gallons, or the minimum PSTAC charge, whichever is greater. If the water is privately supplied, Aqua New Jersey, Inc. shall be permitted to install a meter at the source of supply.

*The above charges are based upon the Board of Public Utilities' ("Board") estimate of Aqua New Jersey, Inc.'s 12-month average cost of purchased sewerage treatment by the Company's Maxim Sewer Division. The estimated 12-month average cost shall be periodically redetermined by the Board in accordance with true-up procedures set forth in N.J.A.C. 14:9-8.1 et seq.

Issued:

Effective Date: January 1, 2020

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

Filed pursuant to decision and Order of Board of Public Utilities dated _____, in Docket No. WR19_____.

AQUA NEW JERSEY, INC. - MAXIM
B.P.U. NO. 17 - SEWER

FIRST REVISED SHEET NO. 4D.1
CANCELLING ORIGINAL SHEET NO. 4D.1

TERMS OF PAYMENT:

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

Issued:

Effective Date: January 1, 2020

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

Filed pursuant to decision and Order of Board of Public Utilities dated _____, in Docket No. WR19_____.

EXHIBIT F

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2018

A.) 2018 Treatment Expenses Paid to OCUA:

<u>Quarter</u>	<u>Gallons Billed</u>	<u>Amount</u>	<u>Invoice #</u>	<u>Reference</u>
Q1	62.00	\$232,650	1800020515	
Q2	62.00	\$232,650	1800020775	
Q3	62.00	\$232,650	1800021105	
Q4	62.00	\$232,650	1800021412	
Credit		\$52,668		
<i>Total 2018 Actual Treatment Expense</i>	248.00	\$983,268		Exhibit B

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2018

B.) 2018 Revenues Billed to Maxim Customers:

<u>Class</u>	<u>Customers</u>	<u>Meter Size</u>	<u>Amount</u>	<u>Rate</u>	<u>% of Revenue</u>	
Residential - Single Family	2,548	-	\$775,942	\$304.53	95.62%	
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$7,613	\$304.53	0.94%	95
Commercial, Industrial, School, Business, & Religious	1	1"	\$508	\$507.90	0.06%	159
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$0	\$1,045.46	0.00%	327
Commercial, Industrial, School, Business, & Religious	8	2"	\$12,967	\$1,620.88	1.60%	507
Commercial, Industrial, School, Business, & Religious	-	3"	\$0	\$3,137.40	0.00%	980
Commercial, Industrial, School, Business, & Religious	1	4"	\$5,072	\$5,071.77	0.63%	1,585
Subtotal:	2,583		\$802,102		98.85%	

<u>Customer #</u>	<u>Meter Size</u>	<u>Min. Bill</u>	<u>In Kgals</u>			<u>% of Revenue</u>
			<u>Over Minimum</u>	<u>Min. Gallons</u>	<u>Gallons Billed</u>	
991661	3/4"		24	95	119	
991662	3/4"		28	95	123	
991679	2"		2,083	507	2,590	
991683	2"		212	507	719	
991685	2"		93	507	599	
2061674	3/4"		48	95	143	
2111109	3/4"		439	95	535	
Subtotal Gallons:			2,927			
Rate / 1,000 gallons			\$3.200			
Subtotal Commerical Revenues over Minimum			\$9,366			1.15%
Total Revenues Billed 2018:			\$811,468			

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2018

C.) 2018 Reconciliation - Over/(Under) Recovery:

			<u>Reference</u>
C.1)	Actual Revenue 2018	\$811,468	B.)
	Prospective Revenue Authorized 2018	<u>\$806,810</u>	Exhibit A, Ex. A, Page 7
	Over/(Under) Recovery 2018	<u>\$4,658</u>	
C.2)	Actual Expense 2018	\$983,268	A.)
	Projected Expense 2018	<u>\$873,708</u>	Exhibit A Page 2 Sub B
	Over/(Under) Recovery 2018	<u>(\$109,560)</u>	
	Total Over/(Under) Recovery 2018	(\$104,902)	

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2018

D.) Cost of Filing Application:

	<u>Amount</u>
Legal	\$10,000
Notification- & Other	\$500
Transcripts	\$250
Total	<u>\$10,750</u>

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2018

E.) Prospective 2020 Rate Adjustment:

	<u>Calculation</u>	<u>Reference</u>
1.) Projected 2020 Sewage Volume (in millions)	225.57	Footnote (a)
2.) Proposed 2020 OCUA Bulk Rate	\$4,039	Exhibit C
3.) Projected Calendar Year 2020 Billings by OCUA	\$911,064	Lines 1.) x 2.)
4.) Projected 2019 OCUA Billings	\$930,600	
5.) Prospective Adj. for Rates Effective 1/1/2020	<u><u>(\$19,536)</u></u>	Lines 3.) - 4.)

Year	Volume
2016	208.7
2017	219.7
2018	248.3
3 Yr Avg	225.6

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2018

F.) Estimated PSTAC Revenue at Present (2019) Rates:

<u>Class</u>	<u>Customers</u>	<u>Meter Size</u>	<u>2019 Current Rate</u>	<u>PSTAC Revenue at Present Rates</u>	<u>% of Revenue</u>
Residential - Single Family	2,550	-	\$304.53	\$776,551.50	95.63%
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$304.53	\$7,613.25	0.94%
Commercial, Industrial, School, Business, & Religious	1	1"	\$507.90	\$507.90	0.06%
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$1,045.46	\$0.00	0.00%
Commercial, Industrial, School, Business, & Religious	8	2"	\$1,620.88	\$12,967.04	1.60%
Commercial, Industrial, School, Business, & Religious	-	3"	\$3,137.40	\$0.00	0.00%
Commercial, Industrial, School, Business, & Religious	1	4"	\$5,071.77	\$5,071.77	0.62%
Total:					
Commercial Metered Service Rate / 1,000 gallons =	2,927		\$3.200	\$9,365.96	1.15%
Total PSTAC Revenue at Present Rates =>				<u><u>\$812,077.42</u></u>	

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2018

G.) PSTAC Calculation:

	<u>Amount</u>	<u>Reference</u>
1.) Projected 2020 Calendar Year Billings by OCUA	\$911,064	E.)
2.) Under Recovery 2018	\$104,902	C.)
3.) Interest on Under Recovery	\$0	
4.) Cost of Filing Application (\$10,750 x 50%)	\$5,375	D.)
5.) 2020 PSTAC Revenue Requirement	<u>\$1,021,341</u>	Sum Lines 1 thru 3
6.) PSTAC Revenue at Present (2019) Rates	<u>\$812,077</u>	F.)
7.) Subtotal PSTAC Adjustment 2020	<u>\$209,264</u>	Line 4 minus Line 5

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2018

H.) Rate Design:

<u>Class</u>	<u>Customers</u>	<u>Meter Size</u>	<u>2019 Current Rate</u>	<u>% of Revenue</u>	<u>Assessment</u>	<u>2020 New Rate</u>	<u>% Change</u>
Residential - Single Family	2,550	-	\$304.53	95.63%	\$200,109.34	\$383.00	25.769%
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$304.53	0.94%	\$1,961.86	\$383.00	25.769%
Commercial, Industrial, School, Business, & Religious	1	1"	\$507.90	0.06%	\$130.88	\$638.78	25.769%
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$1,045.46	0.00%	\$0.00	\$1,314.86	25.769%
Commercial, Industrial, School, Business, & Religious	8	2"	\$1,620.88	1.60%	\$3,341.47	\$2,038.56	25.769%
Commercial, Industrial, School, Business, & Religious	-	3"	\$3,137.40	0.00%	\$0.00	\$3,945.88	25.769%
Commercial, Industrial, School, Business, & Religious	1	4"	\$5,071.77	0.62%	\$1,306.94	\$6,378.71	25.769%
Total:					<u>\$206,850</u>		
Commercial Metered Service Rate / 1,000 gallons =			\$3.200	1.15%	\$2,413.51	\$4.025	25.769%
Total Revenue Assessed					<u><u>\$209,264</u></u>		

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2018

I.) Proof of Revenue:

<u>Class</u>	<u>Customers/Gallons</u>	<u>Meter Size</u>	<u>New Rate</u>	<u>Prospective 2020 Revenue</u>
Residential - Single Family	2,550	-	\$383.00	\$976,660.84
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$383.00	\$9,575.11
Commercial, Industrial, School, Business, & Religious	1	1"	\$638.78	\$638.78
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$1,314.86	\$0.00
Commercial, Industrial, School, Business, & Religious	8	2"	\$2,038.56	\$16,308.51
Commercial, Industrial, School, Business, & Religious	-	3"	\$3,945.88	\$0.00
Commercial, Industrial, School, Business, & Religious	1	4"	\$6,378.71	\$6,378.71
Commerical over Minimum Gallons	2,927	Kgals.	\$4.025	\$11,779.47
Total:				<u><u>\$1,021,341</u></u>

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2018

A.) 2018 Treatment Expenses Paid to OCUA:

<u>Quarter</u>	<u>Gallons Billed</u>	<u>Amount</u>	<u>Invoice #</u>	<u>Reference</u>
Q1	62.00	\$232,650	1800020515	
Q2	62.00	\$232,650	1800020775	
Q3	62.00	\$232,650	1800021105	
Q4	62.00	\$232,650	1800021412	
Deficiency Due		\$52,668		
Total 2018 Actual Treatment Expense	248.00	\$983,268		Exhibit B

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2018

B.) 2018 Revenues Billed to Maxim Customers:

<u>Class</u>	<u>Customers</u>	<u>Meter Size</u>	<u>Amount</u>	<u>Rate</u>	<u>% of Revenue</u>	
Residential - Single Family	2,548	-	\$775,942	\$304.53	95.62%	
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$7,613	\$304.53	0.94%	95
Commercial, Industrial, School, Business, & Religious	1	1"	\$508	\$507.90	0.06%	159
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$0	\$1,045.46	0.00%	327
Commercial, Industrial, School, Business, & Religious	8	2"	\$12,967	\$1,620.88	1.60%	507
Commercial, Industrial, School, Business, & Religious	-	3"	\$0	\$3,137.40	0.00%	980
Commercial, Industrial, School, Business, & Religious	1	4"	\$5,072	\$5,071.77	0.63%	1,585
Subtotal:	2,583		\$802,102		98.85%	

<u>Customer #</u>	<u>Meter Size</u>	<u>Min. Bill</u>	<u>In Kgals</u>			<u>% of Revenue</u>
			<u>Over Minimum</u>	<u>Min. Gallons</u>	<u>Gallons Billed</u>	
991661	3/4"		24	95	119	
991662	3/4"		28	95	123	
991679	2"		2,083	507	2,590	
991683	2"		212	507	719	
991685	2"		93	507	599	
2061674	3/4"		48	95	143	
2111109	3/4"		439	95	535	
Subtotal Gallons:			2,927			
Rate / 1,000 gallons			\$3.200			
Subtotal Commerical Revenues over Minimum			\$9,366			1.15%
Total Revenues Billed 2018:			\$811,468			

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2018

C.) 2018 Reconciliation - Over/(Under) Recovery:

			<u>Reference</u>
C.1)	Actual Revenue 2018	\$811,468	B.)
	Prospective Revenue Authorized 2018	<u>\$806,810</u>	Exhibit A, Ex. A, Page 7
	Over/(Under) Recovery 2018	<u>\$4,658</u>	
C.2)	Actual Expense 2018	\$983,268	A.)
	Projected Expense 2018	<u>\$873,708</u>	Exhibit A Page 2 Sub B
	Over/(Under) Recovery 2018	<u>(\$109,560)</u>	
	Total Over/(Under) Recovery 2018	(\$104,902)	

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2018

D.) Cost of Filing Application:

	<u>Amount</u>
Legal	\$10,000
Notification- & Other	\$500
Transcripts	\$250
Total	<u>\$10,750</u>

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2018

E.) Prospective 2020 Rate Adjustment:

- 1.) Projected 2020 Sewage Volume (in millions)
- 2.) Proposed 2020 OCUA Bulk Rate
- 3.) Projected Calendar Year 2020 Billings by OCUA
- 4.) Projected 2019 OCUA Billings
- 5.) Prospective Adj. for Rates Effective 1/1/2020

<u>Calculation</u>	<u>Reference</u>
225.57	Footnote (a)
<u>\$4,039</u>	Exhibit C
\$911,064	Lines 1.) x 2.)
<u>\$877,540</u>	Ex. D, Page 2, Sub (b)
<u>\$33,524</u>	Lines 3.) - 4.)

Year	Volume
2016	208.7
2017	219.7
2018	248.3
3 Yr Avg	225.6

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2018

F.) Estimated PSTAC Revenue at Present (2019) Rates:

<u>Class</u>	<u>Customers</u>	<u>Meter Size</u>	<u>2019 Current Rate</u>	<u>PSTAC Revenue at Present Rates</u>	<u>% of Revenue</u>
Residential - Single Family	2,550	-	\$321.24	\$819,162.00	95.63%
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$321.24	\$8,031.00	0.94%
Commercial, Industrial, School, Business, & Religious	1	1"	\$535.77	\$535.77	0.06%
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$1,102.82	\$0.00	0.00%
Commercial, Industrial, School, Business, & Religious	8	2"	\$1,709.82	\$13,678.56	1.60%
Commercial, Industrial, School, Business, & Religious	-	3"	\$3,309.54	\$0.00	0.00%
Commercial, Industrial, School, Business, & Religious	1	4"	\$5,350.05	\$5,350.05	0.62%
Total:					
Commercial Metered Service Rate / 1,000 gallons =	2,927		\$3.376	\$9,881.09	1.15%
Total PSTAC Revenue at Present Rates =>				<u><u>\$856,638.47</u></u>	

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2018

G.) PSTAC Calculation:

	<u>Amount</u>	<u>Reference</u>
1.) Projected 2020 Calendar Year Billings by OCUA	\$911,064	E.)
2.) Under Recovery 2018	\$104,902	C.)
3.) Interest on Under Recovery	\$0	
4.) Cost of Filing Application (\$10,750 x 50%)	\$5,375	D.)
5.) 2020 PSTAC Revenue Requirement	<u>\$1,021,341</u>	Sum Lines 1 thru 3
6.) PSTAC Revenue at Present (2019) Rates	<u>\$856,638</u>	F.)
7.) Subtotal PSTAC Adjustment 2020	<u>\$164,703</u>	Line 4 minus Line 5

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2018

H.) Rate Design:

<u>Class</u>	<u>Customers</u>	<u>Meter Size</u>	<u>2019 Current Rate</u>	<u>% of Revenue</u>	<u>Assessment</u>	<u>2020 New Rate</u>	<u>% Change</u>
Residential - Single Family	2,550	-	\$321.24	95.63%	\$157,497.53	\$383.00	19.227%
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$321.24	0.94%	\$1,544.09	\$383.00	19.227%
Commercial, Industrial, School, Business, & Religious	1	1"	\$535.77	0.06%	\$103.01	\$638.78	19.227%
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$1,102.82	0.00%	\$0.00	\$1,314.86	19.227%
Commercial, Industrial, School, Business, & Religious	8	2"	\$1,709.82	1.60%	\$2,629.93	\$2,038.56	19.227%
Commercial, Industrial, School, Business, & Religious	-	3"	\$3,309.54	0.00%	\$0.00	\$3,945.85	19.227%
Commercial, Industrial, School, Business, & Religious	1	4"	\$5,350.05	0.62%	\$1,028.64	\$6,378.69	19.227%
Total:					\$162,803		
Commercial Metered Service Rate / 1,000 gallons =			\$3.376	1.15%	\$1,899.80	\$4.025	19.227%
Total Revenue Assessed					\$164,703		

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2018

I.) Proof of Revenue:

<u>Class</u>	<u>Customers/Gallons</u>	<u>Meter Size</u>	<u>New Rate</u>	<u>Prospective 2020 Revenue</u>
Residential - Single Family	2,550	-	\$383.00	\$976,659.53
Commercial, Industrial, School, Business, & Religious	25	3/4"	\$383.00	\$9,575.09
Commercial, Industrial, School, Business, & Religious	1	1"	\$638.78	\$638.78
Commercial, Industrial, School, Business, & Religious	-	1 1/2"	\$1,314.86	\$0.00
Commercial, Industrial, School, Business, & Religious	8	2"	\$2,038.56	\$16,308.49
Commercial, Industrial, School, Business, & Religious	-	3"	\$3,945.85	\$0.00
Commercial, Industrial, School, Business, & Religious	1	4"	\$6,378.69	\$6,378.69
Commerical over Minimum Gallons	2,927	Kgals.	\$4.025	\$11,780.89
Total:				<u><u>\$1,021,341</u></u>