

BACKGROUND/PROCEDURAL HISTORY

This matter was retained by the Board and since the Company requested a decrease in rates, it was deemed that a public comment hearing was not required.

Rate Counsel and Staff served interrogatories on Petitioner, which were responded to in full by Petitioner. The Parties participated in a settlement conference on October 24, 2013 and subsequently entered into a Stipulation. In this proceeding, the Parties examined the Petitioner's revenues and OCUA expenses for calendar year 2012, Maxim's projected 2014 OCUA expenses, as well as a review of the costs associated with the filing of this proceeding. Based on that review, and subsequent settlement negotiations, the Parties reached a settlement on all issues and entered into a Stipulation that, among other things, provides for an overall decrease in Maxim's PSTAC revenues totaling \$129,018, and is calculated based on the following components:

- a. An over-recovery of actual PSTAC charges of approximately \$74,095 for the calendar year ending December 31, 2012;
- b. Estimated OCUA charges for 2013 of \$924,692 based on OCUA rates effective for 2014;
- c. Interest on over-recovery of actual 2012 PSTAC charges \$3,293; and
- d. Total rate case costs for this proceeding of \$10,000. These costs will be shared 50/50 between ratepayers and shareholders, resulting in a cost to customers of \$5,000.

As required in N.J.A.C. 14:9-7.7 and the Board's Order in Docket No. WR13080757, the Petitioner has included in its filing an estimate of OCUA costs for calendar year 2014, which estimate has been used to determine the applicable PSTAC rate for 2014.

DISCUSSIONS AND FINDINGS¹

Based on the estimated costs for 2014, the over-recovery for 2012, and the costs of this proceeding there is a total overall decrease in PSTAC revenues of \$129,018. The Parties have agreed that Petitioner's current PSTAC rates on file with the Board should be revised pursuant to the rates indicated on Exhibit A attached to the Stipulation (and the attached proposed tariffs). For the average residential customer, the annual flat PSTAC rate will decrease from \$371.21 to \$322.41, an annual decrease of \$48.80 or approximately -13.15%. With respect to the total annual rate for wastewater services including base sewer charges, the overall total annual rate for the average residential customer will decrease from \$675.21 to \$626.41, a decrease of \$48.80 or approximately -7.23% annually.

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

¹ 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.

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:

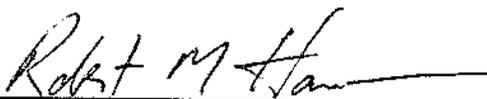
In accordance with the provisions of N.J.A.C. 14:9-7.3 (c), the Petitioner shall file with the Board, no later than 45 days after the adjustment clause has been in effect for one year, or by February 28, 2015, whichever is earlier, a PSTAC true-up filing in connection with this proceeding. This filing shall include an estimated of the OCUA costs for calendar year 2015. Copies of the true-up filing shall be served upon all parties to the present proceeding.

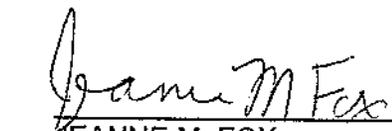
The Board **HEREBY DIRECTS** the Company to file tariff pages conforming to the terms and conditions of the Stipulation and this Order within ten (10) days from the effective date of this Order.

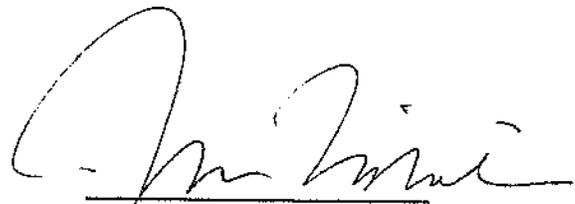
The effective date of this Order is December 2, 2013, with rates to become effective January 1, 2014.

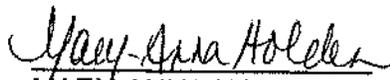
DATED: 11/22/13

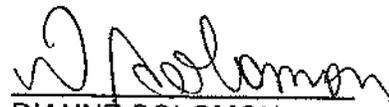
BOARD OF PUBLIC UTILITIES
BY:

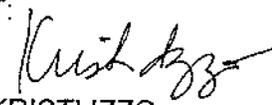

ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER

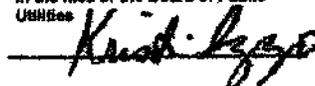

JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER

ATTEST:

KRISTI IZZO
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 2012 PURCHASED WASTEWATER TREATMENT
ADJUSTMENT CLAUSE TRUE-UP AND OTHER REQUIRED APPROVALS
BPU DOCKET NO. WR13080757

SERVICE LIST

| | |
|--|---|
| <p>Colleen A. Foley, Esq. Saul Ewing, LLP One Riverfront Plaza, Suite 1520 Newark, NJ 07102</p> <p>William C. Packer, Jr., Manager-Rates Kelly Burns, Rate Analyst Aqua America, Inc. 762 W. Lancaster Avenue Bryn Mawr, PA 19010</p> <p>Stefanie A. Brand, Esq., Director Division of Rate Counsel 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003</p> <p>Debra Robinson, Esq. Division of Rate Counsel 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003</p> <p>Christine Juarez, Esq. Susan McClure, Esq. Division of Rate Counsel 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003</p> | <p>Maria Moran, Director Board of Public Utilities Division of Water 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350</p> <p>Michael Kammer, Bureau Chief Board of Public Utilities Division of Water 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350</p> <p>Matthew Koczur, Administrative Analyst II Board of Public Utilities Division of Water 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350</p> <p>Geoffrey Gersten, DAG Department of Law and Public Safety Division of Law 124 Halsey Street Post Office Box 45029 Newark, NJ 07101-45029</p> <p>Alex Moreau, DAG Department of Law and Public Safety Division of Law 124 Halsey Street Post Office Box 45029 Newark, NJ 07101-45029</p> <p>David Wand, DAG Department of Law and Public Safety Division of Law 124 Halsey Street Post Office Box 45029 Newark, NJ 07101-45029</p> |
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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**IN THE MATTER OF THE PETITION OF
AQUA NEW JERSEY, INC., MAXIM
WASTEWATER DIVISION, FOR APPROVAL
OF A 2012 PURCHASED WASTEWATER
TREATMENT ADJUSTMENT CLAUSE
TRUE UP AND OTHER REQUIRED
APPROVALS**

**STIPULATION OF
SETTLEMENT**

BPU DOCKET NO. WR13080757

APPEARANCES:

Colleen A. Foley, Esq., Saul Ewing 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

Alex Moreau, Deputy Attorney General, and T. David Wand, Deputy Attorney General (John J. Hoffman, Acting 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 as follows: the Maxim Wastewater Division of Aqua New Jersey, Inc. ("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 the 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, the Maxim Wastewater Division of Aqua New Jersey, Inc., 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 20, 2013, 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 Docket No. WR13080757, for approval of a purchased sewerage treatment adjustment clause ("PSTAC") true-up for calendar year 2012, and to set prospective rates for 2014 (as required by N.J.A.C. 14:9-7.7).

3. With the agreement of the Parties, a public comment hearing was not conducted because the Petitioner's request proposed a decrease in the present PSTAC tariff rate.

4. Petitioner's current 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. WR12070686, dated December 19, 2012, which examined PSTAC revenues and expenses applicable to the period ending December 31, 2011 and set prospective rates for calendar year 2013.

5. In this proceeding, the Parties have examined the Company's actual revenues and actual OCUA expenses for calendar year 2012, the Company's projected OCUA expenses for 2014, 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 \$129,018 less in revenues. The \$129,018 PSTAC decrease was calculated based on the following components:

- a. an over-recovery of actual wastewater treatment charges of approximately \$74,095 for the calendar year ending December 31, 2012 (See Exhibit A, attached

hereto, pages 1 to 3), with the interest on this over-recovery calculated to be \$3,293 (See Exhibit A, page 11);

b. estimated OCUA charges for 2014 of \$924,692 based on OCUA rates effective for 2014 (See Exhibit A, page 5); and

c. the total costs of this proceeding are deemed to be \$10,000 (See Exhibit A, page 4). These costs will be shared 50/50 between ratepayers and shareholders, resulting in a cost to customers of \$5,000 (See Exhibit A, page 7); and

d. the pro forma PSTAC revenues at current rates are projected to be \$981,322 (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 2014, which estimate has been used to determine the applicable PSTAC rate for 2014.

7. Based on the estimated costs for 2014, the over-recovery for 2012 (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 revised pursuant to the rates indicated on Exhibit A (and the attached proposed tariffs). For the average residential customer, the annual flat PSTAC rate will decrease from \$371.21 to \$322.41, an annual decrease of \$48.80 or approximately 13.15%. With respect to the total annual rate for wastewater services, the total annual rate for the average residential customer will decrease from \$675.21 to \$626.41, a decrease of \$48.80 or approximately 7.23% annually.

8. Consistent with the provisions of N.J.A.C. 14:9-7.1 et seq., the Parties agree that the Company will file with the Board a PSTAC petition to reconcile calendar year 2013 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 2015, which estimate will be used to determine the applicable PSTAC rate for 2015, as required in N.J.A.C. 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.

MAXIM WASTEWATER DIVISION OF
AQUA NEW JERSEY, INC.

November 8, 2013
Date

By: Colleen A. Foley
Saul Ewing LLP
Colleen A. Foley, Esq.
Attorney for Petitioner

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the
New Jersey Board of Public Utilities

11/8/13
Date

By: T. David Wand
T. David Wand
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
DIRECTOR - RATE COUNSEL

11/8/13
Date

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

**I/M/O THE PETITION OF
AQUA NEW JERSEY, INC.,
MAXIM WASTEWATER DIVISION,
FOR APPROVAL OF A 2012 PURCHASED WASTEWATER
TREATMENT ADJUSTMENT CLAUSE
TRUE UP AND OTHER REQUIRED APPROVALS**

BPU DKT. NO. WR13080757

**EXHIBIT A
TO THE
STIPULATION OF SETTLEMENT**

**Aque New Jersey, Inc.
 Maxim PSTAC Reconciliation/True-Up
 For Calendar year ending December 31, 2012**

AJ 2012 Treatment Expenses Paid to OCUA:

| <u>Quarter</u> | <u>Gallons Billed</u> | <u>Amount</u> | <u>Invoice #</u> |
|--|-----------------------|------------------|------------------|
| Q1 | 62.50 | \$242,625 | 1800013822 |
| Q2 | 62.50 | \$242,625 | 1800014246 |
| Q3 | 62.50 | \$242,625 | 1800014450 |
| Q4 | 62.50 | \$242,625 | 1800014768 |
| Credit | | (\$106,755) | 1800016054 |
| Total 2012 Actual Treatment Expense | | \$863,745 | |

Aqua New Jersey, Inc.
 Maxim PSTAC Reconciliation/True-Up
 For Calendar year ending December 31, 2012

B.) 2012 Revenues Billed to Maxim Customers:

| Class | Customers | Meter Size | Amount | Rate | % of Revenue |
|---|--------------|------------|--------------------|------------|---------------|
| Residential - Single Family | 2,536 | - | \$984,120 | \$388.06 | 95.93% |
| Commercial, Industrial, School, Business, & Religious | 26 | 3/4" | \$10,090 | \$388.06 | 0.98% |
| Commercial, Industrial, School, Business, & Religious | 1 | 1" | \$647 | \$647.19 | 0.06% |
| Commercial, Industrial, School, Business, & Religious | - | 1 1/2" | \$0 | \$1,332.18 | 0.00% |
| Commercial, Industrial, School, Business, & Religious | 6 | 2" | \$16,523 | \$2,065.43 | 1.61% |
| Commercial, Industrial, School, Business, & Religious | - | 3" | \$0 | \$3,997.86 | 0.00% |
| Commercial, Industrial, School, Business, & Religious | 1 | 4" | \$6,463 | \$6,462.77 | 0.63% |
| Subtotal: | 2,672 | | \$1,017,643 | | 99.22% |

| Customer # | Meter Size | Min. Bill | Over Minimum | In Kgals | | % of Revenue |
|--|------------|-----------|--------------|--------------|----------------|--------------|
| | | | | Min. Gallons | Gallons Billed | |
| 991679 | 2" | \$3,689 | 1,800 | 518 | 2,318 | |
| 991661 | 3/4" | \$692 | 23 | 97 | 120 | |
| 991662 | 3/4" | \$692 | 62 | 97 | 159 | |
| 991681 | 3/4" | \$692 | 45 | 97 | 142 | |
| 991683 | 2" | \$3,689 | 25 | 518 | 543 | |
| 991685 | 2" | \$3,689 | 13 | 518 | 531 | |
| Subtotal Gallons: | | | | | | |
| | | | 1,988 | | | |
| Rate / 1,000 gallons | | | | | | |
| | | | \$4.077 | | | |
| Subtotal Commercial Revenues over Minimum | | | | | | |
| | | | \$8,023 | | | 0.78% |
| Total Revenues Billed 2012: | | | | | | |
| | | | \$1,925,866 | | | |

**Aqua New Jersey, Inc.
 Maxim PSTAC Reconciliation/True-Up
 For Calendar year ending December 31, 2012**

C.) 2012 Reconciliation - Over/(Under) Recovery:

| | | |
|------|-------------------------------------|------------------|
| C.1) | Actual Revenue 2012 | \$1,025,888 |
| | Prospective Revenue Authorized 2012 | \$1,027,082 |
| | Over/(Under) Recovery 2012 | <u>(\$1,216)</u> |
| | | |
| C.2) | Actual Expense 2012 | \$863,745 |
| | Projected Expense 2012 | \$939,056 |
| | Over/(Under) Recovery 2012 | <u>\$75,311</u> |
| | Total Over/(Under) Recovery 2012 | \$74,095 |

**Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2012**

D.) Cost of Filing Application:

Cost of Filing (Per STIP)
Total

Amount
\$10,000
\$10,000

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation True-Up
For Calendar year ending December 31, 2012

E.) Prospective 2014 Rate Adjustment:

- 1.) Projected 2014 Sewage Volume (in millions)
- 2.) Proposed 2014 OCUA Bulk Rate
- 3.) Projected Calendar Year 2014 Billings by OCUA
- 4.) Projected 2013 OCUA Billings
- 5.) Prospective Adj. for Rates Effective 1/1/2014

| <u>Calculation</u> | |
|--------------------|-------------------|
| | 238.20 |
| | \$3,862 |
| | \$924,692 |
| | \$949,770 |
| | <u>(\$25,078)</u> |

(Line 1.) x 2.)

(Line 3.) - 4.)

| Year | Volume |
|----------|--------|
| 2010 | 247.8 |
| 2011 | 244.3 |
| 2012 | 222.5 |
| 3 Yr Avg | 238.2 |

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2012

E.I. Estimated PSTAC Revenue at Present Rates (2013):

| <u>Class</u> | <u>Customers</u> | <u>Meter Size</u> | <u>2013 Current Rate</u> | <u>PSTAC Revenue at Present Rates</u> | <u>% of Revenue</u> |
|---|------------------|-------------------|--------------------------|---------------------------------------|---------------------|
| Residential - Single Family | 2,536 | - | \$371.21 | \$941,388.58 | 95.93% |
| Commercial, Industrial, School, Business, & Religious | 28 | 3/4" | \$371.21 | \$9,651.48 | 0.98% |
| Commercial, Industrial, School, Business, & Religious | 1 | 1" | \$619.09 | \$619.09 | 0.06% |
| Commercial, Industrial, School, Business, & Religious | - | 1 1/2" | \$1,274.34 | \$0.00 | 0.00% |
| Commercial, Industrial, School, Business, & Religious | 8 | 2" | \$1,975.75 | \$15,806.00 | 1.61% |
| Commercial, Industrial, School, Business, & Religious | - | 3" | \$3,824.27 | \$0.00 | 0.00% |
| Commercial, Industrial, School, Business, & Religious | 1 | 4" | \$6,182.15 | \$6,182.15 | 0.63% |
| Total: | | | | | |
| Commercial Metered Service Rate / 1,000 gallons = | 1,968 | | \$3,900 | \$7,674.81 | 0.78% |

Total PSTAC Revenue at Present Rates =>

\$981,322.07

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2012

G.) PSTAC Calculation:

| | <u>Amount</u> |
|---|--------------------|
| 1.) Projected 2014 Calendar Year Billings by OCUA | \$824,692 |
| 2.) Over Recovery 2012 | (\$74,095) |
| 3.) Interest on Over Recovery | (\$3,293) |
| 4.) Cost of Filing Application (\$10,000 x 50%) | \$5,000 |
| 5.) 2014 PSTAC Revenue Requirement | <u>\$852,304</u> |
| 6.) PSTAC Revenue at Present (2013 Rates) | <u>\$881,322</u> |
| 7.) Subtotal PSTAC Adjustment 2014 | <u>(\$129,018)</u> |

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2012

H.1 Rate Design:

| Class | Customers | Meter Size | 2013 Current Rate | % of Revenue | Assessment | 2014 New Rate | % Change |
|---|-----------|------------|-------------------|--------------|--------------------|---------------|----------|
| Residential - Single Family | 2,536 | - | \$371.21 | 95.93% | (\$125,767.86) | \$322.41 | -13.147% |
| Commercial, Industrial, School, Business, & Religious | 26 | 3/4" | \$371.21 | 0.98% | (\$1,268.81) | \$322.41 | -13.147% |
| Commercial, Industrial, School, Business, & Religious | 1 | 1" | \$619.09 | 0.06% | (\$81.39) | \$537.70 | -13.147% |
| Commercial, Industrial, School, Business, & Religious | - | 1 1/2" | \$1,274.34 | 0.00% | \$0.00 | \$1,106.80 | -13.147% |
| Commercial, Industrial, School, Business, & Religious | 8 | 2" | \$1,975.75 | 1.61% | (\$2,078.07) | \$1,715.99 | -13.147% |
| Commercial, Industrial, School, Business, & Religious | - | 3" | \$3,624.27 | 0.00% | \$0.00 | \$3,321.48 | -13.147% |
| Commercial, Industrial, School, Business, & Religious | 1 | 4" | \$6,182.15 | 0.63% | (\$812.79) | \$5,369.36 | -13.147% |
| Total: | | | | | (\$128,009) | | |
| Commercial Metered Service Rate / 1,000 gallons = | | | \$3,900 | 0.78% | (\$1,009.04) | \$3,387 | -13.147% |
| Total Revenue Assessed | | | | | (\$129,018) | | |

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2012

I.) Proof of Revenue:

| <u>Class</u> | <u>Customers/Gallons</u> | <u>Meter Size</u> | <u>New Rate</u> | <u>Prospective 2014 Revenue</u> |
|---|--------------------------|-------------------|-----------------|---------------------------------|
| Residential - Single Family | 2,538 | - | \$322.41 | \$817,620.70 |
| Commercial, Industrial, School, Business, & Religious | 28 | 3/4" | \$322.41 | \$8,382.55 |
| Commercial, Industrial, School, Business, & Religious | 1 | 1" | \$537.70 | \$537.70 |
| Commercial, Industrial, School, Business, & Religious | - | 1 1/2" | \$1,106.80 | \$0.00 |
| Commercial, Industrial, School, Business, & Religious | 8 | 2" | \$1,716.99 | \$13,727.93 |
| Commercial, Industrial, School, Business, & Religious | - | 3" | \$3,321.48 | \$0.00 |
| Commercial, Industrial, School, Business, & Religious | 1 | 4" | \$5,369.36 | \$5,369.36 |
| Commercial over Minimum Gallons | 1,968 | Kgals. | \$3.387 | \$6,665.77 |
| Total: | | | | \$862,304 |

Aqua New Jersey, Inc.
Maxim PSTAC Reconciliation/True-Up
For Calendar year ending December 31, 2012

I.) Customer Impact: Combined (Base Rate + PSTAC Rate)

| <u>Class</u> | <u>Customers</u> | <u>Meter Size</u> | <u>2013 Old Rate</u> | <u>2014 New Rate</u> | <u>% Change</u> |
|---|------------------|-------------------|----------------------|----------------------|-----------------|
| Residential - Single Family | 2,536 | - | \$675.21 | \$626.41 | -7.23% |
| Commercial, Industrial, School, Business, & Religious | 26 | 3/4" | \$675.21 | \$626.41 | -7.23% |
| Commercial, Industrial, School, Business, & Religious | 1 | 1" | \$878.21 | \$829.41 | -5.56% |
| Commercial, Industrial, School, Business, & Religious | - | 1 1/2" | \$1,634.09 | \$1,552.70 | -4.98% |
| Commercial, Industrial, School, Business, & Religious | 8 | 2" | \$2,898.34 | \$2,730.80 | -5.78% |
| Commercial, Industrial, School, Business, & Religious | - | 3" | \$5,020.75 | \$4,760.99 | -5.17% |
| Commercial, Industrial, School, Business, & Religious | 1 | 4" | \$8,899.27 | \$8,396.48 | -5.65% |
| Total: | | | | | |
| Commercial Metered Service Rate / 1,000 gallons = | | | \$6.950 | \$6.747 | -2.92% |

2012 Maxim PSTAC True Up

Calculation of interest to be refunded

Interest Calculation (Rate = 30 yr Treasury @ 9/30/2011 => 2.90%; 9/30/2012 =>2.82%

| Month | Year | Refund* | APR % ^ | Month % Rate | Interest |
|-----------|------|-------------|---------|--------------|----------|
| January | 2012 | \$ 6,174.58 | 0.0290 | 0.00242 | 14.92 |
| February | 2012 | 12,364.09 | 0.0290 | 0.00242 | 29.88 |
| March | 2012 | 18,553.63 | 0.0290 | 0.00242 | 44.84 |
| April | 2012 | 24,743.17 | 0.0290 | 0.00242 | 59.80 |
| May | 2012 | 30,932.71 | 0.0290 | 0.00242 | 74.75 |
| June | 2012 | 37,122.25 | 0.0290 | 0.00242 | 89.71 |
| July | 2012 | 43,311.80 | 0.0290 | 0.00242 | 104.67 |
| August | 2012 | 49,501.34 | 0.0290 | 0.00242 | 119.63 |
| September | 2012 | 55,690.88 | 0.0290 | 0.00242 | 134.59 |
| October | 2012 | 61,880.42 | 0.0290 | 0.00242 | 149.54 |
| November | 2012 | 68,069.96 | 0.0290 | 0.00242 | 164.50 |
| December | 2012 | 74,259.50 | 0.0290 | 0.00242 | 179.46 |
| January | 2013 | 74,438.96 | 0.0282 | 0.00235 | 174.93 |
| February | 2013 | 74,613.89 | 0.0282 | 0.00235 | 175.34 |
| March | 2013 | 74,789.24 | 0.0282 | 0.00235 | 175.75 |
| April | 2013 | 74,964.99 | 0.0282 | 0.00235 | 176.17 |
| May | 2013 | 75,141.16 | 0.0282 | 0.00235 | 176.58 |
| June | 2013 | 75,317.74 | 0.0282 | 0.00235 | 177.00 |
| July | 2013 | 75,494.74 | 0.0282 | 0.00235 | 177.41 |
| August | 2013 | 75,672.15 | 0.0282 | 0.00235 | 177.83 |
| September | 2013 | 75,849.98 | 0.0282 | 0.00235 | 178.25 |
| October | 2013 | 76,028.23 | 0.0282 | 0.00235 | 178.67 |
| November | 2013 | 76,206.89 | 0.0282 | 0.00235 | 179.09 |
| December | 2013 | 76,385.98 | 0.0282 | 0.00235 | 179.51 |

* 2012 Over-Recovery \$74,095 pro-rated

^ Interest rate on customer deposits - 30 year Treasury

Total Interest to be Refunded to Customers

\$ 3,293

PURCHASED SEWERAGE TREATMENT ADJUSTMENT CLAUSE

In addition to the Base Service Charge set forth in Rate Schedule No. 1, the Purchased Sewerage Treatment Adjustment Clause rates, in accordance with N.J.A.C. 14:9-8.1 et seq., shall be:

FLAT RATE SERVICE

| <u>Type of Property</u> | <u>Purchased Sewerage Treatment Adjustment Clause</u> | |
|---|---|----------------|
| | <u>Annual</u> | <u>Monthly</u> |
| Single Family Dwelling | \$322.41 | \$26.87 |
| Two Family Dwelling | 537.70 | 44.81 |
| Apartment Dwelling (1 st Apt.) | 322.41 | 26.87 |
| Each Additional Apartment | 322.41 | 26.87 |
| Town House Dwelling Unit | 322.41 | 26.87 |

Business, Commercial, Industrial, Religious and School Use

Minimum charges for sewer service shall be based on water service size as follows:

| <u>Service Size (Inches)</u> | <u>Purchased Sewerage Treatment Adjustment Clause</u> | |
|------------------------------|---|----------------|
| | <u>Annual</u> | <u>Monthly</u> |
| $\frac{3}{4}$ | \$322.41 | \$26.87 |
| 1 | 537.70 | 44.81 |
| 1 $\frac{1}{2}$ | 1,106.80 | 92.23 |
| 2 | 1,715.99 | 143.00 |
| 3 | 3,321.48 | 276.79 |
| 4 | 5,369.36 | 447.45 |

METERED SERVICE

\$3.387 per thousand gallons

When water meter readings are available, the customers shall be billed at \$3.387 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' estimate of Aqua New Jersey, Inc.'s twelve (12) month average cost of purchased sewerage treatment. The estimated twelve (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 by: Aqua New Jersey, Inc.
 10 Black Forest Road
 Hamilton NJ 08691

Effective: January 1, 2014

Issue date:

Filed pursuant to Decision and Order of the Board of Public Utilities in Docket No. WR13080757 dated _____.