



Agenda Date: 6/24/21
Agenda Item: 5A

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

WATER

IN THE MATTER OF THE PETITION OF NEW)
JERSEY-AMERICAN WATER COMPANY, INC. FOR)
AUTHORIZATION TO CHANGE THE LEVEL OF ITS)
PURCHASED WATER ADJUSTMENT CLAUSE AND)
PURCHASED WASTEWATER (SEWERAGE))
TREATMENT ADJUSTMENT CLAUSE) BPU DOCKET NO. WR20110719
OAL DOCKET NO. PUC 01163-2021S

Parties of Record:

Stephen R. Bishop, Esq., on behalf of New Jersey-American Water Company, Inc., Petitioner
Susan McClure, Assistant Deputy Rate Counsel, on behalf of the Division of the Rate Counsel
Jay L. Kooper, Esq., Vice President, General Counsel and Secretary, Middlesex Water Company
Anthony Francioso, Esq., on behalf of Mount Laurel Township MUA

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities (“Board”) considers an Initial Decision executed by Administrative Law Judge (“ALJ”) Tricia Caliguire and Stipulation of Settlement (“Stipulation”) executed by New Jersey-American Water Company, Inc. (“Petitioner” or “Company”), the New Jersey Division of Rate Counsel (“Rate Counsel”) and Board Staff (“Staff”) (collectively, “Signatory Parties”) intended to resolve the Company’s requests related to the above docketed matter.

BACKGROUND/PROCEDURAL HISTORY

By Order dated April 2, 2007 in I/M/O New Jersey American Water Company, Elizabethtown Water Company, and Mount Holly Water Company, Docket No. WR06030257 (April 2, 2007), the Board required that all purchased water costs and purchased wastewater treatment costs be removed from base rates and recovered through the Purchase Water Adjustment Clause (“PWAC”) and Purchase Wastewater (sewer) Treatment Adjustment Clause as applicable. On November 13, 2020, the Company a public utility of the State of New Jersey, filed a petition with the Board pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:9-7.1 et seq. and other relevant statutes and regulations, for approval to change the levels of its existing purchased water adjustment clause (“PWAC”) charge and purchased wastewater (sewerage) treatment adjustment clause (“PSTAC”) charges, with respect to increased purchased water expenses and increased

purchased wastewater treatment expenses. The total amount requested in the petition would decrease annual revenues by (\$3,502,197) or -0.47% above total Company revenues of approximately \$807,900,000.

The petitioner services approximately 667,000 general metered water customers and approximately 46,000 sewer customers in all or part of 188 municipalities in 18 of the State's 21 counties.

The Company purchases water on a routine basis from six separate entities and purchases wastewater treatment services from three separate entities, each of which adjusts its rates for service, and, in the case of wastewater treatment service providers, issues sewerage deficit/credit adjustments, at different times throughout the year. The six water purveyors are: Passaic Valley Water Commission ("PVWC"); Morris County Municipal Utilities Authority; Montclair Water Bureau; New Jersey Water Supply Authority ("NJWSA"); City of Newark; and Marlboro Township Municipal Utilities Authority ("MTMUA"). The three wastewater treatment purveyors are: Cape May County Municipal Utilities Authority ("CMCMUA") for the Company's Ocean City Sewer tariff group; Ocean County Utilities Authority ("OCUA") for the Company's Lakewood Sewer tariff group; and Howell Township for the Company's Adelpia Sewer tariff group.

In the petition, the Company proposed to decrease its PWAC rate upon PWAC Rate Schedule O-1 from \$0.5113 per thousand gallons of water to \$0.4470 per thousand gallons of water for Non-Exempt customers. The Company proposed to decrease its PWAC rate from \$0.4425 per thousand gallons of water to \$0.3861 per thousand gallons for Exempt customers. It also proposed to address its PSTAC charges as follows:

For Lakewood Township, Ocean County, the rate per thousand gallons of prior year's winter quarter usage (January, February and March meter readings), as reflected upon PSTAC Rate Schedule 2-B, would change from \$4.6563 per thousand gallons to \$5.3156 per thousand gallons.

For customers in Ocean City, Cape May County, the rate per thousand gallons of prior year's summer water quarter usage (July, August and September meter readings), as reflected upon PSTAC Rate Schedule 1-B, would change from \$26.6334 per thousand gallons to \$29.3836 per thousand gallons.

For customers in the Adelpia section of Howell Township, Monmouth County, the rate per thousand gallons of water, as reflected upon PSTAC Rate Schedule 3-B, would change from \$7.1722 per thousand gallons to \$6.4940 per thousand gallons.

The Board transmitted this matter to the Office of Administrative Law ("OAL") for hearing as a contested case on January 11, 2021. A telephonic prehearing conference was held on March 22, 2021, with the ALJ Caliguire. On March 23, 2021, Middlesex Water Company ("Middlesex") filed a motion to intervene, which was not opposed by any party. On April 12, 2021 Mount Laurel Township MUA ("Mount Laurel") filed a motion to intervene, which was not opposed by any party. Middlesex and Mount Laurel were included on the service list, received all discovery, and invited to participate in all settlement conferences and meetings. Virtual public comment hearings were held via Zoom on April 27, 2021 at 4:30 p.m. and 5:30 p.m. Members of the public did not attend and no written comments were received.

STIPULATION¹

As a result of settlement discussions, the Signatory Parties agreed to the amount requested in this petition and executed the Stipulation June 3, 2021. Based upon and subject to the terms and conditions set forth in the Stipulation, the Signatory Parties stipulate and agree as follows:

The Signatory Parties recommend that the Board approve a change to the Company's PWAC rate on PWAC Rate Schedule O-1, reflecting a rate compression factor, from \$0.5113 per thousand gallons of water for Non-Exempt customers to \$0.4221 per thousand gallons of water for Non-Exempt customers and from \$0.4425 per thousand gallons of water for Exempt customers to \$0.3646 per thousand gallons of water for Exempt customers.

The Signatory Parties further recommend that the Board permit the Company to change its effective PSTAC charges, including the effects of the rate compression factor, as follows:

- For Lakewood Township, Ocean County², the rate per thousand gallons of prior year's winter quarter as reflected within PSTAC Rate Schedule 2-B from \$4.6563 per thousand gallons to \$4.9209 per thousand gallons.
- For customers in Ocean City, Cape May County³, the rate per thousand gallons of prior year's summer water quarter usage (July, August and September meter readings) as reflected upon PSTAC Rate Schedule 1-B, from \$26.6334 per thousand gallons to \$33.9147 per thousand gallons.
- For customers in the Adelphia section of Howell Township, Monmouth County, the rate per thousand gallons of water as reflected upon PSTAC Rate Schedule 3-B, from \$7.1722 per thousand gallons to \$6.6021 per thousand gallons.

The effective PWAC rate change, reflecting the effects of the rate compression factor, would result in a change in the annual bill of an average residential customer utilizing 5,400 gallons per month as follows:

	Present Per Month	Proposed Per Month	Amount Change	Percentage Change
Statewide - GMS	\$58.46	\$57.97	(\$0.48)	-0.82%
Statewide - SFR	\$58.46	\$57.97	(\$0.48)	-0.82%
SA1-B, SA1-C	\$56.02	\$55.54	(\$0.48)	-0.86%
SA-1E	\$53.96	\$53.48	(\$0.48)	-0.89%
SA-1F	\$29.56	\$31.84	\$2.28	7.71%

¹ While the per thousand-gallon rate differs from the rate in the Public Notice due to the compression factor, the overall annual increase remains the same.

² While the per thousand-gallon rate differs from the rate in the Public Notice due to the compression factor, the overall annual increase remains the same.

The PSTAC rate changes, reflecting the effects of the rate compression factor, will result in: an increase for a typical residential sewer service customer in Lakewood Township, Ocean County utilizing 16,200 gallons of water in the winter quarter and 64,800 gallons of water annually, of \$1.43 per month or 2.33%; an increase for an average sewer service customer in Ocean City, Cape May County utilizing 17,000 gallons of water in the summer quarter and 31,000 gallons of water annually, of \$10.32 per month or 17.01%; and a decrease for an average sewer service customer in the Adelphia section of Howell Township, Monmouth County utilizing 64,800 gallons of water annually, of (\$3.08) per month or -4.23%.

These PWAC and PSTAC rates are calculated with an effective date of July 1, 2021.

NJAWC plans to file its next PWAC/PSTAC petition on or before November 15, 2021.

Within the Stipulation, the Signatory Parties have agreed on a methodology for calculating the amount of interest to be applied to over-recoveries within the PWAC. This method is described as follows: Total PWAC True-up Balance (Over)/Under-recovered of the current month (which is the adjusted total purchased water expense minus total PWAC revenues net of cost recoveries for the current month), plus the total PWAC Cumulative True-Up Balance (Over)/Under-recovery) of the prior month, minus the amortization of the PWAC True-Up from the previous PWAC year of the current month. The Signatory Parties agree to review this methodology and adjust it as necessary and appropriate in future PWAC proceedings.

The PWAC/PSTAC rates established herein will decrease annual revenues by (\$3,457,278) or -0.46%. Thus, the Company will collect annual revenues of \$36,160,285 for PWAC and \$18,409,362 for PSTAC.

On June 2, 2021, Middlesex Water and Mount Laurel filed letters indicating that they did not object to the settlement. On June 7 2021, ALJ Caliguire issued her Initial Decision/Settlement recommending adoption of the Stipulation executed by the Signatory 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.

DISCUSSIONS AND FINDINGS

Having reviewed the record in this matter, including the Initial Decision and the Stipulation, the Board **HEREBY FINDS** that the Signatory Parties have voluntarily agreed to the Stipulation, and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. The Board **FURTHER FINDS** the Initial Decision, which adopts the Stipulation, to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Initial Decision and the Stipulation, attached hereto, including all attachments and schedules, as its own, incorporating by reference the terms and conditions of the Stipulation, as if they were 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) and 14:9-8.3(c), the Petitioner shall file with the Board, no later than 45 days after the adjustment clause has been in effect for one year, a PWAC true-up schedule in connection with this proceeding. Copies of the true-up schedule 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 Initial Decision, which adopts the Stipulation, and this Order within 10 days from the effective date of this Order.

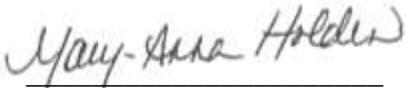
The effective date of this Order is June 24, 2021 with rates to become effective on July 1, 2021.

DATED: June 24, 2021

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

IN THE MATTER OF THE PETITION OF NEW JERSEY-AMERICAN WATER COMPANY, INC.
FOR AUTHORIZATION TO CHANGE THE LEVEL OF ITS PURCHASED WATER
ADJUSTMENT CLAUSE AND PURCHASED WASTEWATER (SEWERAGE) TREATMENT
ADJUSTMENT CLAUSE

BPU DOCKET NO. WR20110719
OAL DOCKET NO. PUC 01163-2021S

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State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION SETTLEMENT

OAL DKT. NO. PUC 01163-21

AGENCY DKT. NO. WR20110719

**IN THE MATTER OF THE PETITION OF
NEW JERSEY AMERICAN WATER COMPANY, INC.
FOR APPROVAL TO CHANGE THE LEVELS OF
ITS PURCHASED WATER ADJUSTMENT
CLAUSE AND PURCHASED WASTEWATER
TREATMENT ADJUSTMENT CLAUSE
PURSUANT TO N.J.A.C. 14:9-7.1, et seq.**

Stephen R. Bishop, Senior Director and Corporate Counsel, for petitioner, New Jersey
American Water Company

Meliha Arnautovic and **Brandon Simmons**, Deputy Attorneys General, for Staff of
the Board of Public Utilities (Gurbir S. Grewal, Attorney General, State of New
Jersey, attorney)

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

Jay L. Kooper, Vice President, General Counsel, and Secretary, for intervenor,
Middlesex Water Company

Anthony R. Francioso, Esq., for intervenor, Mount Laurel Township Municipal Utilities
Authority (Fornaro Francioso LLC, attorneys)

Record Closed: June 3, 2021

Decided: June 7, 2021

BEFORE TRICIA M. CALIGUIRE, ALJ:

This proceeding involves the November 13, 2020, petition of New Jersey American Water Company (NJAW, Company) filed with the New Jersey Board of Public Utilities (Board) seeking approval of changes in the Company's purchased water adjustment clause and purchased wastewater adjustment clause. The petition was transmitted to the Office of Administrative Law (OAL) on January 11, 2021, for determination as a contested case. A telephone prehearing conference was held on March 22, 2021, and a prehearing order issued on March 31, 2021. After appropriate motions, and with no objections, Middlesex Water Company (Middlesex) and Mount Laurel Township Municipal Utilities Authority (MLTMUA) were granted intervenor status by orders dated March 31, 2021, and April 28, 2021, respectively.

On April 27, 2021, two duly-noticed¹ public hearings were conducted by the OAL using Zoom Video Communications, a remote video and audio platform, due to the COVID-19 public health emergency in which the Governor of the State of New Jersey has issued Emergency Orders mandating stay-at-home protocols for citizens and public employees and restricting public gatherings. No members of the public appeared at the virtual public hearings and no members of the public submitted written comments on the Company's petition. The comments made by petitioner, staff of the Board, and the representative of the Division of Rate Counsel were transcribed and made a part of the record.

On June 3, 2021, the parties filed a Stipulation of Settlement which resolves all issues in this proceeding. (J-1.) Said Stipulation of Settlement has been signed by petitioner, staff of the Board, and the New Jersey Division of Rate Counsel. Intervenors Middlesex and MLTMUA submitted letters of non-opposition to the Stipulation of Settlement.

The Stipulation of Settlement indicates the terms of settlement and is attached and fully incorporated herein.

¹ Proof of publication was provided by petitioner to the court reporter as an exhibit to the hearing transcripts; the public notice and proof of its publication are also part of the record.

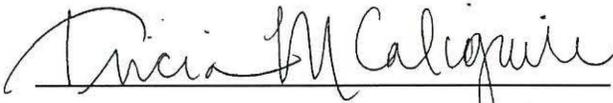
I have reviewed the terms of settlement and I **FIND:**

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.

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.

June 7, 2021
DATE


TRICIA M. CALIGUIRE, ALJ

Date Received at Agency:

6/7/2021

Date Mailed to Parties:

6/8/2021

TMC/nd

APPENDIX

EXHIBITS

Jointly Submitted:

J-1 Stipulation of Settlement

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

IN THE MATTER OF THE PETITION OF : BPU Docket No. WR20110719
NEW JERSEY-AMERICAN WATER : OAL Docket No. 01163-2021S
COMPANY, INC. FOR AUTHORIZATION :
TO CHANGE THE LEVEL OF ITS : STIPULATION OF SETTLEMENT
PURCHASED WATER ADJUSTMENT :
CLAUSE AND PURCHASED :
WASTEWATER TREATMENT :
ADJUSTMENT CLAUSE :

APPEARANCES:

Stephen R. Bishop, Esq., on behalf of New Jersey-American Water Company, Inc.,
Petitioner;

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

Susan McClure, Assistant Deputy Rate Counsel, on behalf of the Division of the Rate
Counsel;

Jay Kooper, Esq., on behalf of Middlesex Water Company; and

Anthony Francioso, Esq., on behalf of Mount Laurel Township MUA

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

On November 13, 2020, New Jersey-American Water Company, Inc. (“New Jersey-American Water” or “Company”), a public utility of the State of New Jersey, filed a Petition with the Board of Public Utilities (“Board”) pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:9-7.1 *et seq.* and other relevant statutes and regulations, for approval to change the levels of its existing purchased water adjustment clause (“PWAC”) charge and purchased wastewater (sewerage) treatment adjustment clause (“PSTAC”) charges, with respect to increased purchased water expenses and increased purchased wastewater treatment expenses. The total amount requested in the Petition would decrease annual revenues by (\$3,502,197) or -0.47% above total Company

revenues of approximately \$807,900,000. As a result of settlement discussions, the Company, the New Jersey Division of Rate Counsel (“Rate Counsel”) and Staff of the Board (“Board Staff”) (collectively, “Signatory Parties”) have agreed to the amount requested in the Petition.

New Jersey-American Water purchases water on a routine basis from six separate entities and purchases wastewater treatment services from three separate entities, each of which adjusts its rates for service, and, in the case of wastewater treatment service providers, issues sewerage deficit/credit adjustments, at different times throughout the year. The six water purveyors are: Passaic Valley Water Commission (“PVWC”); Morris County Municipal Utilities Authority; Montclair Water Bureau; New Jersey Water Supply Authority (“NJWSA”); City of Newark; and Marlboro Township Municipal Utilities Authority (“MTMUA”). The three wastewater treatment purveyors are: Cape May County Municipal Utilities Authority (“CMCMUA”) for the Company’s Ocean City Sewer tariff group; Ocean County Utilities Authority (“OCUA”) for the Company’s Lakewood Sewer tariff group; and Howell Township for the Company’s Adelphia Sewer tariff group.

New Jersey-American Water serves approximately 667,000 metered water and fire service customers and approximately 46,000 sewer service customers.

On April 2, 2007, the Board ordered that all purchased water costs and purchased wastewater treatment costs be removed from base rates and recovered through the PWAC and PSTAC as applicable. *In the Matter of the Joint Petition of New Jersey American Water Company, Inc., Elizabethtown Water Company, and the Mount Holly Water Company for Approval of Increased Tariff Rates and Charges for Water and Sewer Services and other Tariff Revisions*, BPU Docket No. WR06030257 (April 2, 2007). The Board last adjusted the Company’s base rates effective November 1, 2020. *In the Matter of New Jersey American Water Company for Approval*

of Increased Tariff Rates and Charges for Water and Sewer Service and Other Tariff Modifications, Order Adopting Initial Decision/Stipulation, BPU Docket No. WR19121516 (October 28, 2020). The Company's base rates do not include PWAC or PSTAC pass-through charges to customers.

In the Petition, New Jersey-American Water proposed to decrease its PWAC rate upon PWAC Rate Schedule O-1 from \$0.5113 per thousand gallons of water to \$0.4470 per thousand gallons of water for Non-Exempt customers. The Company proposed to decrease its PWAC rate from \$0.4425 per thousand gallons of water to \$0.3861 per thousand gallons for Exempt customers. It also proposed to address its PSTAC charges as follows:

For Lakewood Township, Ocean County, the rate per thousand gallons of prior year's winter quarter usage (January, February and March meter readings), as reflected upon PSTAC Rate Schedule 2-B, would change from \$4.6563 per thousand gallons to \$5.3156 per thousand gallons.

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For customers in the Adelphia section of Howell Township, Monmouth County, the rate per thousand gallons of water, as reflected upon PSTAC Rate Schedule 3-B, would change from \$7.1722 per thousand gallons to \$6.4940 per thousand gallons.

The Board transmitted this matter to the Office of Administrative Law ("OAL") for hearing as a contested case on January 11, 2021. A telephonic prehearing conference was held on March 22, 2021, with the Honorable Tricia Caliguire, Administrative Law Judge. On March 23, 2021, Middlesex Water Company ("Middlesex") filed a motion to intervene, which was not opposed by

any party. On April 12, 2021 Mount Laurel Township MUA (“Mount Laurel”) filed a motion to intervene, which was not opposed by any party. Middlesex and Mount Laurel have been included on the service list, received all discovery, and invited to participate in all settlement conferences and meetings. Virtual public comment hearings were held via Zoom on April 27, 2021 at 4:30 p.m. and 5:30 p.m. Members of the public did not attend. No written comments were received.

Rate Counsel served interrogatories on New Jersey-American Water, which were responded to in full by the Company. During the proceeding, the Company received updated information from the various water and wastewater service purveyors whose costs comprise the Company’s requested relief. This information was provided to all parties on a timely basis. The Company, Board Staff, Rate Counsel, and Middlesex participated in a discovery/settlement conference on May 27, 2021. As a result of the Company’s Petition, discovery responses and negotiations, the Signatory Parties have reached a stipulation of settlement (“Stipulation”), the provisions of which are set forth below.

STIPULATION OF SETTLEMENT

1. The PWAC and PSTAC rates were originally calculated with an effective date of April 1, 2021, for the PWAC and PSTAC year ending March 31, 2022.

2. The effective date of the proposed PWAC and PSTAC rate changes is now anticipated to be July 1, 2021, and the Signatory Parties agree that a compression factor should be applied to the proposed rates to avoid a large disparity in the PWAC and PSTAC for the annual period ending March 31, 2022. In the event that the herein agreed to PWAC and PSTAC rates are implemented on a date later than July 1, 2021, these PWAC and PSTAC rates will be further compressed to take into account their effectiveness on this later date as the Signatory Parties acknowledge that the

rates shall become effective upon the date set forth in the Board Order approving this Stipulation.

3. The Signatory Parties recommend that the Board approve a change to the Company's PWAC rate on PWAC Rate Schedule O-1, reflecting the rate compression factor described above in Paragraph 2, from \$0.5113 per thousand gallons of water for Non-Exempt customers to \$0.4221 per thousand gallons of water for Non-Exempt customers and from \$0.4425 per thousand gallons of water for Exempt customers to \$0.3646 per thousand gallons of water for Exempt customers.

4. The Signatory Parties further recommend that the Board permit the Company to change its effective PSTAC charges, including the effects of the rate compression factor, as follows:

- For Lakewood Township, Ocean County¹, the rate per thousand gallons of prior year's winter quarter as reflected within PSTAC Rate Schedule 2-B from \$4.6563 per thousand gallons to \$4.9209 per thousand gallons.
- For customers in Ocean City, Cape May County², the rate per thousand gallons of prior year's summer water quarter usage (July, August and September meter readings) as reflected upon PSTAC Rate Schedule 1-B, from \$26.6334 per thousand gallons to \$33.9147 per thousand gallons.
- For customers in the Adelpia section of Howell Township, Monmouth County, the rate per thousand gallons of water as reflected upon PSTAC Rate Schedule 3-B, from \$7.1722 per thousand gallons to \$6.6021 per thousand gallons.

5. The effective PWAC rate change, reflecting the effects of the rate compression factor, would result in a change in the annual bill of an average residential customer utilizing 5,400 gallons per month as follows:

	Present Per Month	Proposed Per Month	Amount Change	Percentage Change
Statewide - GMS	\$58.46	\$57.97	(\$0.48)	-0.82%
Statewide - SFR	\$58.46	\$57.97	(\$0.48)	-0.82%

¹ While the per thousand gallon rate differs from the rate in the Public Notice due to the compression factor, the overall annual increase remains the same.

² While the per thousand gallon rate differs from the rate in the Public Notice due to the compression factor, the overall annual increase remains the same.

	<u>Present Per Month</u>	<u>Proposed Per Month</u>	<u>Amount Change</u>	<u>Percentage Change</u>
SA1-B, SA1-C	\$56.02	\$55.54	(\$0.48)	-0.86%
SA-1E	\$53.96	\$53.48	(\$0.48)	-0.89%
SA-1F	\$29.56	\$31.84	\$2.28	7.71%

6. The PSTAC rate changes, reflecting the effects of the rate compression factor, will result in: an increase for a typical residential sewer service customer in Lakewood Township, Ocean County utilizing 16,200 gallons of water in the winter quarter and 64,800 gallons of water annually, of \$1.43 per month or 2.33%; an increase for an average sewer service customer in Ocean City, Cape May County utilizing 17,000 gallons of water in the summer quarter and 31,000 gallons of water annually, of \$10.32 per month or 17.01%; and a decrease for an average sewer service customer in the Adelpia section of Howell Township, Monmouth County utilizing 64,800 gallons of water annually, of (\$3.08) per month or -4.23%.

7. NJAWC plans to file its next PWAC/PSTAC petition on or before November 15, 2021.

8. Within this Stipulation, the Signatory Parties have agreed on a methodology for calculating the amount of interest to be applied to over-recoveries within the PWAC. This method is described as follows: Total PWAC True-up Balance (Over)/Under-recovered of the current month (which is the adjusted total purchased water expense minus total PWAC revenues net of cost recoveries for the current month), plus the total PWAC Cumulative True-Up Balance (Over)/Under-recovery) of the prior month, minus the amortization of the PWAC True-Up from the previous PWAC year of the current month. The Signatory Parties agree to review this methodology and adjust it as necessary and appropriate in future PWAC proceedings.

9. The PWAC/PSTAC rates established herein will decrease annual revenues by (\$3,457,278) or -0.46%. Thus, the Company will collect annual revenues of \$36,160,285 for PWAC and \$18,409,362 for PSTAC.

10. The Company will comply with the provisions of N.J.A.C. 14:9-7.4 regarding PWAC and PSTAC true-up schedules in connection with this proceeding. Copies of the true-up schedules will be served upon Board Staff and Rate Counsel.

11. This Stipulation shall be binding on the Signatory Parties to this proceeding upon approval hereof by the Board. This Stipulation shall bind the Signatory Parties in this matter only and shall not be considered precedential in any other proceeding involving the Signatory Parties hereto.

12. This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the Signatory Parties individually and jointly state that they would not have signed the Stipulation had any term been modified in any way. In the event that any modifications whatsoever are made to this Stipulation, each of the Signatory Parties hereto is entitled to certain procedures in the event of such occurrence.

13. If any modification is made to the terms of this Stipulation, the Signatory Parties must be given the right to be placed in the position in which each Signatory Party was before this Stipulation was executed. It is essential that each Signatory Party be given the option to modify its own position, to accept the proposed change(s), or to resume the proceeding as if no agreement had been reached.

14. The Signatory Parties believe that these procedures are fair to all concerned and, therefore, they are made an integral and essential element of this Stipulation.

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

16. The Signatory Parties understand that Middlesex and Mount Laurel will each file a letter with the OAL indicating that it does not object to the terms of the Stipulation.

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STEFANIE A. BRAND, DIRECTOR
DIVISION OF RATE COUNSEL

By: _____
Susan McClure
Assistant Deputy Rate Counsel

Dated:

NEW JERSEY-AMERICAN WATER
COMPANY, INC.

By:  _____
Stephen R. Bishop
Deputy General Counsel

Dated: June 2, 2021

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

By:  _____
Meliha Arnautovic
Deputy Attorney General

Dated: June 2, 2021

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June 2, 2021

Honorable Tricia Caliguire, ALJ
New Jersey Office of Administrative Law
P.O. Box 049
Trenton, New Jersey 08625

Re: In the Matter of the Petition of New Jersey American Water Company, Inc. for Approval to Change
the Levels of its Purchased Water Adjustment Clause and Purchase Wastewater Treatment Clause
OAL Docket No. PUC 011363-2021S
BPU Docket No. WR20110719

Dear Judge Caliguire:

Fornaro Francioso LLC represents Mount Laurel Township Municipal Utilities Authority in the referenced matter. We are advised that a Stipulation of Settlement will be filed with Your Honor by the parties of record in this matter. The Stipulation of Settlement has been provided for our review by Stephen R. Bishop, Esq., Corporate Counsel, NJ American Water Company, Inc.

The Mount Laurel Municipal Utilities Authority has no objection nor opposition to entry of the Stipulation of Settlement. We appreciate the courtesies extended by Mr. Bishop in communications related to the Settlement.

Thank you for your consideration of this submission.

Very truly yours,
FORNARO FRANCIOSO LLC
Anthony R. Francioso
Anthony R. Francioso, Esq.

ARF/

c: Pamela J. Carolan, Executive Director
Service List (via electronic mail)



June 2, 2021

Via E-Mail (Due To COVID-19 State of Emergency) with Courtesy Hard Copy To Chambers

The Honorable Tricia M. Caliguire
Administrative Law Judge
New Jersey Office of Administrative Law
3444 Quakerbridge Road
Quakerbridge Plaza, Building 9
Mercerville, NJ 08619

Re: In the Matter of the Petition of New Jersey American Water Company for Approval To Change The Levels of Its Purchased Water Adjustment Clause and Purchased Wastewater (Sewer) Adjustment Clause Pursuant to N.J.A.C. 14:9-7.1, et seq.
OAL Docket No. PUC 01163-2021S
BPU Docket No. WR20110719

Dear Judge Caliguire:

Middlesex Water Company ("Middlesex"), an Intervenor in the above-referenced matter, has reviewed the proposed Stipulation of Settlement ("Stipulation") that has been executed by the signatory parties and forwarded to Your Honor. Please be advised that Middlesex does not object to the Stipulation.

Respectfully submitted,

A handwritten signature in black ink that reads "Jay Kooper". The signature is written in a cursive style.

Jay L. Kooper
Vice President, General Counsel & Secretary

cc: Service List (via electronic mail)
Nancy Demling (OAL) (via electronic mail)

**I/M/O the Petition of New Jersey American Water Company, Inc. to
Change the Levels of its Purchased Water Adjustment Clause and
Purchased Wastewater Treatment Adjustment Clause
OAL Docket No. PUC 01163-2021 S**

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