

# STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 1<sup>st</sup> Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

### WATER

IN THE MATTER OF THE PETITION OF THE SHORE WATER COMPANY FOR APPROVAL TO INCREASE TARIFF RATES AND CHARGES FOR WATER SERVICE AND OTHER RELIEF

ORDER FURTHER SUSPENDING INCREASES, CHANGES OR ALTERATIONS IN RATES FOR WATER SERVICE

) BPU DOCKET NO. WR21091141 ) OAL DOCKET NO. PUC 08167-2021 S

#### Parties of Record:

Stephen B. Genzer, Esq., Saul Ewing Arnstein & Lehr, LLP, on behalf of Shore Water Company

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

#### BY THE BOARD:

On September 23, 2021, pursuant to N.J.S.A. 48:2-21, N.J.A.C. 14:1-5.12, and other relevant statutes and regulations, Shore Water Company ("Petitioner," "Shore" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking to increase rates for water service. The requested increase is \$401,215 or approximately 38.53% above the annual level of present rate revenues for the test year ending December 31, 2021. Shore proposed to implement the new rates effective for service rendered on and after November 1, 2021.

The Company is a family-owned and operated public utility, with a limited geographic service territory, consisting of the South Seaside Park section of Berkeley Township, New Jersey. According to the petition, the existing tariff have become unjust and unreasonable because the revenues derived therefrom are insufficient to permit the Petitioner to meet the cost of operating the facilities used and useful in the service of the public; to obtain a just and reasonable return on the investment in said facilities; to maintain its financial integrity, attract capital, and to compensate investors for the risks assumed on a basis comparable to that in other business undertakings attended by corresponding risks; to encourage good management and furnish

<sup>&</sup>lt;sup>1</sup>By letter dated September 28, 2021, the Petitioner stated that it will not implement rates on interim basis prior to the effective date of the Board's Suspension Order for this matter.

incentive for efficiency; to continue to furnish safe, adequate and proper service, and to maintain its facilities in such condition as to discharge its public duties.

According to the petition, the need for the rate increase relates to increased operating expenses and significantly increased investment. Additionally, the Company stated that it has been working to comply with the Water Quality Accountability Act ("WQAA"), has developed an Asset Management Plan pursuant to the WQAA, has made corporate changes to permit Shore to make additional investments to provide safe, adequate, and proper service to its customers, and is implementing a financial plan to accomplish these actions.

As part of the petition, the Company is seeking to add a new Flat Rate Charge classification for unmetered customers with one inch (1") service connections and above so that those customers' rates reflect a fairer share of system costs based on the water flows coming through their larger connections.

Except for its larger condominium units, Shore's residential customers are currently unmetered. The community that Shore serves is a beachside community that has been comprised of primarily smaller "bungalow" style homes utilizing ¾ inch service mains. Over the past several years, a combination of new construction and renovations have resulted in the replacement of numerous ¾ inch service mains with service connections of one inch (1") or larger. Shore is also requesting an increase to the volumetric charges for metered commercial customers and metered larger condominium buildings.

The Company is also seeking to revise and/or implement certain fees and charges in its tariffs which are generally associated with costs incurred through bad checks and tampering, which Shore asserted should be the responsibility of individual customers causing those issues rather than all customers.

On September 29, 2021, the Board transmitted this matter to the Office of Administrative Law ("OAL") for hearing and initial disposition as a contested case. By Order dated, October 28, 2021, the Board suspended the proposed rate increase until March 1, 2022 pending further action in this matter.

It appearing that the proposed revisions will increase existing rates and change or alter existing classifications in the Petitioner's tariff, it is **HEREBY ORDERED** that:

- (1) Pursuant to N.J.S.A. 48:2-21, the proposed revisions are suspended until July 1, 2022, unless the Board prior to that date makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) The Petitioner shall, at least 10 days prior to the date set for hearing on the petition by the Office of Administrative Law, file with this Board and with the OAL (proof of compliance with the Notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12 (b) and (c). The Notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) The Petitioner shall, serve copies of this Order upon the OAL, the Division of Rate Counsel (140 East Front Street, 4<sup>th</sup> Floor, Post Office Box 003, Trenton, NJ 08625), the clerk of the affected municipalities, the clerk of the Board of County Commissioners

of the affected county, and if appropriate, the executive officer of the affected county within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously. Proof of service of this Order shall be filed with the Board within 15 days of the date of this Order.

This Order shall be effective on March 1, 2022.

DATED: February 23, 2022

**BOARD OF PUBLIC UTILITIES** 

BY:

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# IN THE MATTER OF THE PETITION OF THE SHORE WATER COMPANYFOR APPROVAL TO INCREASE TARIFF RATES AND OTHER TARIFF CHANGES FOR WATER SERVICE AND OTHER RELIEF

# BPU DOCKET NO. WR21091141 OAL DOCKET NO. PUC 08167-2021 S

# SERVICE LIST

# **Shore Water Company**

Saul Ewing Arnstein & Lehr LLP One Riverfront Plaza, Suite 1520 1037 Raymond Boulevard Newark, NJ 07102

Stephen B. Genzer, Esq. stephen.genzer@saul.com

Shane P. Simon, Esq. shane.simon@saul.com

#### **Board of Public Utilities**

44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350

Aida Camacho-Welch, Secretary board.secretary@bpu.nj.gov

### Division of Water

Michael Kammer, Director mike.kammer@bpu.nj.gov

Magdy Mekhaeil magdy.mekhaeil@bpu.nj.gov

Andrew Tuzzo andrew.tuzzo@bpu.nj.gov

#### Counsel's Office

Suzanne Patnaude, Senior Counsel suzanne.patnaude@bpu.nj.gov

David Schmitt david.schmitt@bpu.nj.gov

# New Jersey Division of Law Public Utilities Section

Richard J. Hughes Justice Complex 25 Market Street - 7th Floor Post Office Box 112 Trenton, NJ 08625

Pamela Owen, DAG pamela.owen@law.njoag.gov

Meliha Arnautovic, DAG meliha.arnautovic@law.njoag.gov

Brandon Simmons, DAG brandon.simmons@law.njoag.gov

#### Rate Counsel

140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0350

Brian Lipman, Esq. blipman@rpa.nj.gov

Susan McClure, Esq. smcclure@rpa.nj.gov

Emily Smithman, Esq. emily.smithman@rpa.nj.gov