



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 GORDON'S
CORNER WATER COMPANY, INC. FOR APPROVAL
OF AN INCREASE IN RATES FOR WATER SERVICE
AND OTHER TARIFF CHANGES

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ORDER ADOPTING INITIAL
DECISION/STIPULATION

DOCKET NO. WR12090807
OAL DOCKET NO. PUC13868-12

Parties of Record:

Douglas R. Kleinfeld, Esq., on behalf of Gordon's Corner Water Company, Petitioner
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

On September 7, 2012, Gordon's Corner Water Company, ("Gordon's Corner", "Company" or "Petitioner") a public utility of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities ("Board"), filed a petition, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, seeking to increase and revise its rates and charges for water service. The originally requested amount was an increase of \$885,821 or 8.58% above present revenues.¹ As part of its filing Gordon's Corner sought to update the required base data for a Purchased Water Adjustment Clause ("PWAC") pursuant to N.J.A.C. 14:9-7.1, et seq.²

By this Order the Board considers the Initial Decision which recommended adoption of the Stipulation of Settlement ("Stipulation") executed by Petitioner, the Staff of the Board of Public Utilities and the Division of Rate Counsel (collectively, the "Parties"), agreeing to an overall increase over present revenues totaling \$650,000 representing a 6.32% increase over Petitioner's present revenues totaling \$10,279,479.

¹ On February 15, 2013, the Company submitted updated schedules, based on actual results for the test year ending December 31, 2012, which reflected an increase of \$969,427 or 9.43%. The Petitioner did not amend its filing and its Notice of Public Hearing, which was published in the Asbury Park Press on January 23, 2013, reflected a proposed increase of \$885,821 or 8.58%.

² Petitioner's current tariff includes a PWAC at the rate of \$0.00 per thousand gallons.

BACKGROUND/PROCEDURAL HISTORY

Gordon's Corner serves approximately 14,800 customers in portions of the Township of Manalapan and the Township of Marlboro, Monmouth County, New Jersey.

The Petitioner, in its filing, requested that the proposed increase in rates become effective on October 15, 2012. On October 4, 2012, the Board issued an Initial Suspension Order suspending the proposed increases, changes or alterations in rates for service until February 15, 2013. On February 12, 2013, Gordon's Corner submitted correspondence stating that it would not put its new rates into effect during any gap period between expiration of the Initial Suspension Order and the issuance of the Further Suspension Order. On February 20, 2013, the Board further suspended the proposed rates until June 15, 2013.

The matter was transmitted to the Office of Administrative Law ("OAL") on October 8, 2012 and Administrative Law Judge ("ALJ") Leland S. McGee was assigned to hear the matter. ALJ McGee conducted a telephonic prehearing conference on November 19, 2012.

After proper notice, a public hearing was held on February 19, 2013 at February 19, 2013 in Petitioner's service territory at the Manalapan Township Municipal Building in Manalapan, New Jersey. No members of the public appeared to provide comments.

Subsequent to the public hearing, the Parties engaged in numerous settlement discussions and as a result of these discussions and extensive discovery, the Parties reached a settlement on all issues and executed the Stipulation.

On March 28, 2013, ALJ McGee issued his Initial Decision in this matter recommending the adoption of the Stipulation, finding that the Parties had voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues and is consistent with the law. No exceptions to the Initial Decision have been filed.

DISCUSSIONS AND FINDINGS

Among the provisions of the Stipulation³, the Parties recommended that the Petitioner's base rates be increased by \$650,000, representing a 6.32% increase over present revenues totaling \$10,279,479. The Parties further recommended a rate base of \$10,687,521 with a test year ending December 31, 2012, adjusted for known and measurable changes and that the Petitioner be authorized a return on common equity of 9.75%. The Parties further agreed that this return on common equity will result in an overall rate of return of 8.51%.

The Parties further agree on the following:

- The Tariff pages (attached as Schedule B to the Stipulation) will become effective on any such date as the Board may direct.

³Although 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 filings and conclusions in this Order.

- As a result of this Stipulation, the average monthly bill for a typical customer, with a 5/8 inch meter, using 9,000 gallons of water per month, will go from \$52.61 to \$56.16, an increase of \$3.55 per month or 6.75%.
- For the purpose of any PWAC filings to be made by Petitioner in the future:
 - This matter resulted in the establishment of base rates in a base rate proceeding within the applicable PWAC regulations N.J.A.C. 14:9-7 et seq; and
 - The purchased water expense level in this case is set at \$3,828,370, which is based on Petitioner paying the purchased water volumes and costs as set forth in Schedule D to the Stipulation.

The Board is mindful of the impact any rate increase has on customers. However, having reviewed the record in this matter, including ALJ McGee's Initial Decision and the Stipulation, the Board **FINDS** that the 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. In reaching this decision, the Board must balance the needs of the ratepayer to receive safe, adequate and proper service at reasonable rates, while allowing the utility the opportunity to earn a fair rate of return. See: FPC v. Hope Natural Gas, 320 U.S. 591 (1944); N.J.S.A. 48:2-21 and N.J.S.A. 48:3-1. Therefore, the Board **FINDS** that 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:

- a. The tariff sheets attached to the Stipulation containing the rates and charges conforming to the Stipulation and designed to produce the additional revenues to which the Parties have stipulated herein are **HEREBY ACCEPTED**; and
- b. The stipulated increase and the tariff design allocations for each customer classification are **HEREBY ACCEPTED**.

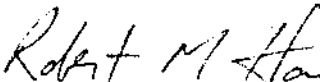
Based upon the foregoing, the Board **HEREBY APPROVES** an overall increase in revenues in the amount of \$650,000 representing a 6.32% increase over present rate revenues of \$10,279,479.

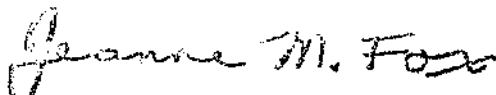
The Board **HEREBY ORDERS** the Petitioner to submit complete revised tariffs conforming to the terms and conditions of the Stipulation and this Order within five (5) days from the date of this Order.

This Order shall be effective on May 1, 2013.


DATED: 4/29/13

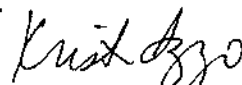
BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT

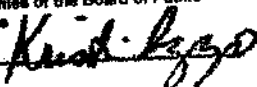

JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
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 GORDON'S CORNER WATER COMPANY, INC.
FOR APPROVAL OF AN INCREASE IN RATES FOR WATER SERVICE AND OTHER TARIFF
CHANGES BPU DOCKET NO. WR12090807
OAL DOCKET NO. PUC13868-12

SERVICE LIST

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State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

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CASE MANAGEMENT

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 13868-12

AGENCY DKT. NO. WR12090807

IN THE MATTER OF GORDON'S
CORNER WATER COMPANY, INC. FOR
APPROVAL OF AN INCREASE IN ITS
RATES FOR WATER SERVICE AND
OTHER TARIFF CHANGES.

Douglas R. Kleinfeld, Esq., on behalf of Gordon's Corner Water Company, Inc.,
Petitioner (Kleinfeld & Kleinfeld, attorneys)

Jennifer Hsia and Alex Moreau, Deputy Attorneys General, for respondent New
Jersey Board of Public Utilities (Jeffrey S. Chiesa, Attorney General of
New Jersey, attorneys)

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

Record Closed: March 28, 2013

Decided: March 28, 2013

BEFORE LELAND S. MCGEE, ALJ:

STATEMENT OF THE CASE

On September 7, 2012, petitioner, Gordon's Corner Water Company ("Petitioner"), filed a petition with the New Jersey Board of Public Utilities ("Board") pursuant to N.J.S.A. 48:2-21, N.J.A.C. 14:1-5.12, to increase its rates and charges for water service and to update the required base data for a Purchased Water Adjustment Clause ("PWAC").

On October 4, 2012, the Board issued a Suspension Order suspending increases, changes or alterations in rates for service until February 15, 2013. On October 15, 2012, the Board transmitted the matter to the Office of Administrative Law ("OAL") for a hearing as a contested case pursuant to N.J.S.A. 52:14B-1 to -15 and N.J.S.A. 52:14F-1 to -13.

On November 19, 2012, a prehearing tele-conference was held during which a schedule for a public hearing in the service area and evidentiary hearings was set. A Pre-hearing Order was issued on November 29, 2012.

On February 19, 2013, a duly noticed public comment hearing was held in the Petitioner's service territory at the Manalapan Township Municipal Building, Manalapan, New Jersey. No members of the public appeared to provide comments.

As a result of the discovery and settlement conferences, the Parties reached an agreement in this matter and prepared a Stipulation of Settlement, which is attached hereto, and incorporated by reference as a part of this Initial Decision.

After reviewing the record and the settlement, I **FIND**:

1. The parties have voluntarily agreed to the settlement as evidenced by their signatures or their representatives' signatures.
2. The settlement fully disposes of all issues in controversy and is consistent with the law and is in the public interest.
3. The Stipulation of Settlement has been signed by all parties.

Therefore, I **CONCLUDE** that this agreement meets the requirements of N.J.A.C. 1:1-19.1 and should be approved. It is **ORDERED** that the parties comply with the settlement terms and that this proceeding be and is hereby concluded.

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.



March 28, 2013 _____

DATE

LELAND S. MCGEE, ALJ

Date Received at Agency: _____

Date Mailed to Parties: _____

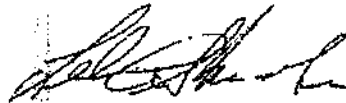
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Attachment

Therefore, I **CONCLUDE** that this agreement meets the requirements of N.J.A.C. 1:1-19.1 and should be approved. It is **ORDERED** that the parties comply with the settlement terms and that this proceeding be and is hereby concluded.

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.



March 28, 2013

DATE

LELAND S. MCGEE, ALJ

Date Received at Agency:

Date Mailed to Parties:

LSM/lr

Attachment

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

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PUBLIC UTILITIES
DIVISION

IN THE MATTER OF THE PETITION) STIPULATION
OF GORDON'S CORNER WATER COMPANY)
FOR AN INCREASE IN RATES AND)BPU Docket No. WR12090807
CHARGES FOR WATER SERVICE)OAL Docket NO. PUC 13868-12

APPEARANCES:

Douglas R. Kleinfeld, Esq., Kleinfeld & Kleinfeld,
Esqs., Attorneys for Petitioner, Gordon's Corner Water
Company.

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

Jennifer Hsia and Alex Moreau, Deputy Attorneys
General, for the Staff of the Board of Public
Utilities (Jeffrey S. Chiesa, Attorney General of New
Jersey).

I. PROCEDURAL HISTORY

- (1) Petitioner, Gordon's Corner Water Company (hereinafter referred to as "Petitioner" or "Company") is a public utility of the State of New Jersey, subject to the jurisdiction of the Board of Public Utilities ("Board") and franchised to provide water service in the Townships of Marlboro and Manalapan, Monmouth County, New Jersey.
- (2) On September 7, 2012, Petitioner filed a petition with the Board, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12 to increase its rates and charges for water service and to update the required base data for a purchased water adjustment clause. Petitioner originally requested increased revenues of \$885,821 representing an increase of approximately 8.58%

over present revenues. The Company subsequently submitted updated schedules, based on actual results for the twelve months ended December 31, 2012, revising its request to \$ 969,427, an increase of approximately 9.43% over present revenues.

(3) On October 4, 2012, the Board issued a Suspension Order suspending increases, changes or alterations in rates for service until February 15, 2013. On October 8, 2012, the Board transmitted the matter to the Office of Administrative Law as a contested case where it was assigned to the Honorable Leland S. McGee, Administrative Law Judge ("ALJ"). On February 20, 2013 the Board issued a second Suspension Order further suspending increases, changes or alterations in rates for service until June 15, 2013.

(4) A telephonic pre-hearing conference was held before ALJ McGee on November 19, 2012 at which time dates for a public hearing in Petitioner's service area and evidentiary hearings were scheduled. A public hearing was held on February 19, 2013 at the Manalapan Township Municipal Building in Manalapan, New Jersey, within Petitioner's service area, following publication of an appropriate public notice. No members of the public appeared to provide comments on that occasion.

(5) In the course of this proceeding, Petitioner was served with, and responded to, extensive discovery requests by the Division of Rate Counsel ("Rate Counsel") and by Staff of the Board of Public Utilities ("Board Staff"). A discovery and settlement conference was held on March 5, 2013. The Petitioner, Rate Counsel, and Board Staff (the "parties") also conferred by telephone on a number of occasions to discuss the matter.

II. STIPULATED MATTERS

(1) As a result of an analysis of the petition and exhibits, Petitioner's responses to discovery propounded by

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the Rate Counsel and Board Staff, as well as their discussions and negotiations in this matter, the signatory parties have reached a Stipulation and do hereby stipulate the following:

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(2) The test year ended December 31, 2012, adjusted for known and measurable charges, is a reasonable and proper test year period.

(3) It is stipulated and agreed that Petitioner's rate base is \$10,687,521 and that a fair overall rate of return thereon is 8.51%, which reflects a cost rate for common equity of 9.75 %, as shown below:

<u>Required Cost of Capital</u>				
	<u>Amount</u>	<u>%</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Common Equity	\$5,610,717	50.96%	9.75 %	4.97%
Long Term Debt	<u>\$5,395,108</u>	<u>49.02 %</u>	7.21%	<u>3.54%</u>
Total Cost	\$11,005,825	100%		8.51%

(4) As reflected in Schedules A and Schedule C annexed hereto and made part hereof, Petitioner's required operating income is \$909,095 and its total revenue requirement is \$10,929,479, which includes stipulated consumption sales volume of 1,538,840 thousand gallons. Petitioner's present revenues are \$10,279,479 which, when subtracted from the total revenue requirement, necessitates a revenue increase of \$650,000, representing an overall percentage increase of 6.32 % over present revenues.

(5) The revenue requirement to which the parties have stipulated is necessary to ensure that Petitioner will continue to provide safe, adequate, and proper water service to its customers.

(6) Attached hereto as Schedule B are new tariff sheets containing rates and charges conforming to this Stipulation and designed to produce the additional annual revenues to which the parties have stipulated herein. As a result of this settlement, the average monthly bill for a typical customer with a 5/8" meter, using 9,000 gallons of water per month, will go from \$52.61 to \$56.16, an increase of \$3.55 per month or 6.75%.

(7) Attached hereto as Schedule C is a schedule demonstrating that the new rates will produce the revenues to which the parties have stipulated herein and reflecting the percentage increase for all classes of service.

(8) Petitioner will file a new tariff with the Board, with copies to the parties, in conformity with this Stipulation, to become effective on such date as the Board may direct.

(9) For purposes of any Purchased Water Adjustment Clause (PWAC) filings to be made by Petitioner in the future, it is stipulated as follows: (a) this matter resulted in the establishment of base rates in a base rate proceeding within the meaning of the applicable PWAC regulations, N.J.A.C. 14:9-7 et seq.; (b) the purchased water expense level in this case is set at \$3,828,370, which is based on Petitioner paying the following rates, per thousand gallons of water, to its suppliers: \$2.55 to the United Water/Matchaponix Water Company, \$4.04184 to Marlboro Township Water Utility Division, and \$1.655 to Aberdeen Township; and (c) the total volume of purchased water used in establishing Petitioner's base costs is set at 1,227,530 million gallons. Attached hereto and made part hereof as Schedule D is a schedule showing the derivation of the foregoing purchased water volumes and costs.

III. MISCELLANEOUS

(1) This Stipulation applies only to this proceeding and is thus executed by the parties without prejudice to the positions asserted by each in this case and without prejudice to the positions which the parties may choose to assert in future proceedings. The parties further agree that the purpose of this Stipulation is to reach fair and reasonable rates and to conclude pending litigation. This

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reasonable rates and to conclude pending litigation. This Stipulation is not in any way intended to restrict or bind any of the parties hereto with respect to substantive positions they may choose to assert in any pending or future rate proceeding in this or any other forum. Therefore, the parties acknowledge that the Stipulation herein has been made exclusively for this proceeding before the OAL and Board.

(2) In the event of any modification, amendment or alteration of this Stipulation by the Board, the parties individually reserve the right to either deem the Stipulation void in toto (in which case the parties would revert to the status quo prior to the execution of this Stipulation, which in this matter would be submission of testimony and proceeding with evidentiary hearings) or to consent to the modification(s) in writing.

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

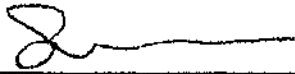
WHEREFORE, the parties hereto do respectfully submit this Stipulation to ALJ McGee and request that His Honor issue an initial decision for the Board's review and approval and that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

GORDONS CORNER WATER COMPANY

By: *Douglas R. Kleinfeld*
Douglas R. Kleinfeld, Esc.
KLEINFELD & KLEINFELD, ESQS.


326-13

DIVISION OF RATE COUNSEL
Stefanie A. Brand, Esq., Director

By: 

Susan E. McClure, Esq.
Assistant Deputy Rate Counsel

JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Staff of the Board of Public Utilities

By: 

Alex Moreau
Deputy Attorney General

Dated: March 26, 2013

SCHEDULE A

GORDON'S CORNER WATER COMPANY

REVENUE REQUIREMENT SUMMARY

RATE BASE	\$10,667,521
RATE OF RETURN	8.51%
OPERATING INCOME REQUIRED	909,095
OPERATING INCOME AT PRESENT RATES	537,666
OPERATING INCOME DEFICIENCY	371,429
REVENUE MULTIPLIER	1.75
REQUIRED REVENUE INCREASE	650,000
REVENUE AT PRESENT RATES	10,279,479
REVENUE AT STIPULATED RATES	\$10,929,479
REVENUE INCREASE	6.32%

Schedule B

GORDON'S CORNER WATER COMPANY
B.P.U. NO. 6-WATER

10th Revised Sheet No. 29
Superseding
9th Revised Sheet No. 29

RATE SCHEDULES

NO. 1: GENERAL METERED SERVICE

APPLICABILITY:

Applicable to the use of water supplied through meters in the territory served by the Company in Marlboro Township and Manalapan Township.

RATE:

MONTHLY SERVICE CHARGES

<u>SIZE OF METER</u>	<u>RATE</u>
5/8"	\$ 12.78
3/4"	19.17
1"	31.95
1-1/2"	63.89
2"	102.22
4"	319.43
6"	638.88
8"	1,022.67

VOLUME CHARGE

USAGE RATE PER 1,000 GALLONS \$ 4.83

TERMS OF PAYMENT:

Payment is due 15 days from the date of the postmark for valid bills mailed to customers. Bills for metered water service are rendered monthly. Whenever service to a customer is established or terminated during a billing period the fixed service charge will be prorated on a daily basis to the date when service is established or discontinued to such customer.

The state of New Jersey enacted Ch. 443 of the Laws of New Jersey 1983 concerning the periodic testing of public water supplies which established a water tax of \$0.01 per 1,000 gallons of water. This tax is reflected and included in the above rates. Filed pursuant to decision of the Board of Public Utilities, Docket No.818-711, dated 2/9/82.

ISSUED:

BY: GARY R. ERN, PRESIDENT
GORDON'S CORNER WATER COMPANY
27 VANDERBURG ROAD
MARLBORO, NJ 07746

EFFECTIVE:

FILED PURSUANT TO ORDER OF THE
BOARD OF PUBLIC UTILITIES IN
DOCKET NO. WR12090807

RATE SCHEDULES

NO. 2: PUBLIC FIRE PROTECTION SERVICE

APPLICABILITY:

To municipalities throughout entire territory for public fire protection.

CHARACTER OF SERVICE:

The installation and maintenance of fire hydrants and the supplying of water through such hydrants is for the sole use of authorized firefighting personnel for the control and extinguishment of any fire. The Company will use due diligence at all times to provide continuous service of the character or quality proposed to be supplied but in case the service shall be interrupted or irregular or defective or fail the Company shall be liable and obligated only to use reasonable diligent efforts in the light of the circumstances then existing to restore service or to correct its characteristics.

RATE:

ANNUAL SERVICE CHARGES

	<u>RATE</u>
Hydrant charge	\$ 406.44

TERMS OF PAYMENT:

All valid charges for public fire protection furnished under this schedule are to be rendered monthly and valid bills are due and payable fifteen (15) days from the postmark on the envelope in which the bill was transmitted.

ISSUED:

BY: GARY R. ERN, PRESIDENT
GORDON'S CORNER WATER COMPANY
27 VANDERBURG ROAD
MARLBORO, NJ 07746

EFFECTIVE:

FILED PURSUANT TO ORDER OF THE
BOARD OF PUBLIC UTILITIES IN
DOCKET NO. WR12090807

RATE SCHEDULES

NO. 3: PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY:

Applicable to customers throughout entire territory for private fire protection.

CHARACTER OF SERVICE:

The Company will use due diligence at all times to provide continuous service of the character or quality proposed to be supplied, but in case the service shall be interrupted or irregular or defective or fail the Company shall be liable and obligated only to use reasonable diligent efforts in the light of the circumstances then existing to restore service or to correct its characteristics.

RATE:

ANNUAL CONNECTION CHARGE

	<u>RATE</u>
2" CONNECTION	\$ 73.68
4" CONNECTION	367.32
6" CONNECTION	734.52
8" CONNECTION	1,175.64

TERMS OF PAYMENT:

All valid charges for private fire protection service furnished under this schedule are to be rendered monthly and valid bills are due and payable 15 days after the postmark on the envelope in which the bill was transmitted. Whenever service is established or discontinued during a billing period, the fixed service charge will be prorated on a daily basis to the date service is established or terminated.

ISSUED:

BY: GARY R. ERN, PRESIDENT
GORDON'S CORNER WATER COMPANY
27 VANDERBURG ROAD
MARLBORO, NJ 07746

EFFECTIVE:

FILED PURSUANT TO ORDER OF THE
BOARD OF PUBLIC UTILITIES IN
DOCKET NO. WR12090807

SCHEDULE C

GORDON'S CORNER WATER COMPANY

PROFORMA REVENUES UNDER STIPULATED RATES

<u>METER SIZE</u>	<u>QUANTITY</u>	<u>STIPULATED TARIFF RATE (Monthly)</u>	<u>ANNUAL FIXED REVENUES</u>	<u>% INCREASE</u>
<u>GENERAL METERED SERVICES</u>				
5/8"	13506	\$12.78	\$2,071,389.00	7.13%
3/4"	1270	\$19.17	\$292,082.00	7.13%
1"	55	\$31.95	\$21,084.00	7.13%
1 1/2"	12	\$63.89	\$9,200.00	7.13%
2"	37	\$102.22	\$45,387.00	7.13%
4"	15	\$319.43	\$57,497.00	7.13%
6"	2	\$638.88	\$15,333.00	7.13%
Less: Fixed Service Charge for Seasonal Turn-Offs			-38,340	
TOTAL FIXED SERVICE REVENUE			\$2,473,612.00	
<u>PRIVATE FIRE SERVICE</u>				
2"	9	\$6.14	\$683.00	6.62%
4"	14	\$30.61	\$5,143.00	6.62%
6"	37	\$81.21	\$27,177.00	6.62%
8"	67	\$97.97	\$78,770.00	6.62%
TOTAL PRIVATE FIRE REVENUE			\$111,753.00	
<u>PUBLIC FIRE SERVICE</u>				
		<u>ANNUAL RATE</u>		
HYDRANTS	1149	\$406.44	\$467,002.00	4.00%
TOTAL PUBLIC FIRE REVENUE			\$467,002.00	

TOTAL REVENUES OTHER THAN FROM COMSUMPTION AND MISC. SERVICE REVENUE	\$3,052,367	
MISCELLANEOUS SERVICE REVENUE	\$14,783	
MISCELLANEOUS NON-OPERATING INCOME	\$446,292	
CONSUMPTION REVENUE(Based on 1,538,840 gal x \$4.82/1000gal)	\$7,416,037	6.62%
PROFORMA REVENUES UNDER STIPULATED RATES	<u>\$10,929,479</u>	

SCHEDULE D

**GORDON'S CORNER WATER COMPANY
PURCHASED WATER COSTS**

<u>SOURCE OF SUPPLY</u>	<u>THOUSAND GALLONS</u>	<u>COST PER THOUSAND GALLONS</u>	<u>TOTAL COST</u>
UWR-Matchaponix	547,500	\$2.55	\$1,396,125
Marlboro Township Water Utility Division	547,500	4.04184	2,212,908
Aberdeen Township Diversion	<u>132,530</u>	1.655	<u>219,337</u>
	1,227,530	PRO FORMA PURCHASED WATER COST	<u>\$3,828,370</u>