

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

<b>IN THE MATTER OF THE PETITION OF GORDON’S CORNER WATER COMPANY FOR APPROVAL TO CHANGE THE LEVELS OF ITS PURCHASED WATER ADJUSTMENT CLAUSE PURSUANT TO N.J.A.C. 14:9-7.1 ET SEQ.</b>	<b>PETITION</b>  Docket No WR2207 <u>0458</u>
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**TO THE HONORABLE BOARD OF PUBLIC UTILITIES:**

Petitioner, Gordon’s Corner Water Company (“GCWC” or the “Company”), avers as follows in support of its petition for approval to change the levels of its purchased water adjustment clause pursuant to N.J.A.C. 14:9-7.1 et seq. (“Petition”):

1. This Petition is filed pursuant to N.J.A.C. 14:9-7.1 to -7.7.
2. The Petition requests that the New Jersey Board of Public Utilities (“Board”) approve a change to the level of GCWC’s purchased water adjustment clause (“PWAC”) that will allow the Company to recover increased purchased water costs above the level of costs included in the Company’s just concluded full base rate case, PWAC case expenses and associated gross receipts and franchise taxes, as set forth in greater detail herein and in the attached exhibits.
3. The proposed rates resulting from this Petition would increase annual revenues by \$138,899, or one percent (1.0%), effective January 1, 2023. To avoid any compression, the Company believes January 1, 2023 to be the appropriate effective date for this PWAC. See, e.g., Exhibits “E” and “F.”
4. Communications and correspondence relating to this Petition should be served upon the following individuals:

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5. GCWC is a public utility of the State of New Jersey and subject to the jurisdiction of the Board.

6. The Company's principal office is located at 27 Vanderburg Road, Marlboro, New Jersey, 07746.

7. GCWC provides water to approximately 14,600 customers in portions of Marlboro and Manalapan Townships in Monmouth County, New Jersey.

8. The Company obtains a substantial portion of the water necessary to meet its overall water supply requirements through water purchase contracts with two sources: (1) the Township of Marlboro, and (2) SUEZ-Matchaponix Water Company.<sup>1</sup>

9. The Company's tariff contains a PWAC of \$0.00 per thousand gallons for all water sales, which was reset to that "0" level by the Board's Order in GCWC's most recent rate case<sup>2</sup> in

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<sup>1</sup> SUEZ Water New Jersey merged with Veolia North America, Inc., as approved by the Board's Order in I/M/O Joint Petition of Veolia Environnement S.A., Veolia North America, Inc., SUEZ S.A., and Suez Water New Jersey, Inc. for Approval of a Change of Control of SUEZ Water New Jersey, Inc., and other Related Approvals, Docket No. WM 21060909 (N.J. B.P.U. Dec. 15, 2021). The surviving entity of the merger with respect to New Jersey-regulated activities was Veolia Water New Jersey, Inc. ("Veolia").

<sup>2</sup> See I/M/O Gordon's Corner Water Company for Approval of an Increase in its Rates for Water Service and Other Tariff Changes, Docket No. WR21070979 (N.J. B.P.U. Feb. 23, 2022).

conformance with applicable PWAC regulations. A copy of the Board's Order is attached to the Petition as **Exhibit "A"** in conformance with N.J.A.C. 14:9-7.6(b)(7).

10. As set forth in the Board's Order approved in the Company's most recent rate case, the Company's purchased water expense level was set at \$4,571,214, which was based on the Company paying the following rates, per thousand gallons of water, to its suppliers: (a) \$2.8957 to SUEZ-Matchaponix Water Company, and (b) \$5.45355 to Marlboro Township Water Utility Division ("Marlboro").

11. Pursuant to N.J.A.C. 14:9-7.6(b)(1), a copy of the Company's current water purchase contract with SUEZ-Matchaponix Water Company is attached hereto as **Exhibit "B"** and a copy of the Company's water purchase contract with the Marlboro Township Water Utility Division is attached hereto as **Exhibit "C."** These contracts were the same contracts in effect during the Company's most recently concluded base rate case.

12. In accordance with N.J.A.C. 14:9-7.6(b)(3), as of the conclusion of the Company's most recent rate case, the Company served approximately 14,600 water and fire service customers. The Order in that case was issued on February 23, 2022, and was effective March 1, 2022. See Exhibit "A."

13. Under N.J.A.C. 14:9-7.6(b)(4), the total actual volume of purchased water ("TGY") as set in the Company's most recent base rate case was 1,095,000 thousand gallons, and the actual volume of purchased water ("TGY") at the end of the most recent calendar year (2021) was 1,095,000 thousand gallons.

14. Pursuant to N.J.A.C. 14:9-7.6(b)(6) and N.J.A.C. 14:1-5.12, a copy of the proposed GCWC PWAC tariff sheet is annexed hereto as **Exhibit "D."**

15. The Company has investigated the basis for the increased costs charged by its suppliers. SUEZ-Matchaponix's rates are set by Board Order and its rates are set by its Board tariff. See Exhibit "B." Marlboro's rates to GCWC are set by the contract between Marlboro and GCWC, which contract is attached as noted as **Exhibit "C."**

16. Further, with respect to the water the Company purchases from Marlboro, the Company understands that Marlboro obtains a portion of its water supply from Middlesex Water Company ("Middlesex") and that the rates Middlesex charges Marlboro have increased as a result of Middlesex's most recent base rate proceeding. See I/M/O Middlesex Water Company for Approval of an Increase in its Rates for Water Service and other Tariff Changes, Docket No. WR21050813 (N.J. B.P.U. Dec. 15, 2021). The increased costs for Marlboro are a significant factor in the increased charges the Company must now pay Marlboro, and the Company anticipates that pursuant to that Middlesex Order, Middlesex rates to Marlboro will increase again at the start of 2023, necessitating an additional change to this PWAC, when Marlboro acts to pass its purchased water costs to GCWC.

17. The Company intervened in the last Suez-Matchaponix base rate case to attempt to ensure that the ultimate rate resulting from that base rate case only covers appropriate costs. GCWC is also in constant contact with Marlboro so that Marlboro's charges, as well, will not hamper GCWC's efforts to ensure that its rates remain just and reasonable. See N.J.A.C. 14:9-7.6(8).

18. A schedule of purchase water costs is attached hereto as **Exhibit "E."**

19. As required by N.J.A.C. 14:9-7.6(b)(9), a schedule of expenses, including legal expenses, anticipated in connection with this proceeding is attached hereto as **Exhibit "F."** Legal expenses will be updated as the proceeding progresses.

20. Notice of this filing, a copy of this Petition and the exhibits annexed thereto are being served upon the municipal clerk in each of the municipalities of the affected customers, and upon the Department of Law and Public Safety and the Director of the Division of Rate Counsel.

21. Notice of filing and a statement of its effect will be furnished to the Company's customers by publication in newspapers published and circulated in the Company's service area pursuant to the applicable Board rules and regulations.

22. Proof of service of the notices referenced in the preceding paragraphs will be filed with the Board by the Company in compliance with the applicable Board rules and regulations.

WHEREFORE, Gordon's Corner Water Company respectfully requests that the Board grant the following relief:

- (a) approving a PWAC rate as proposed herein as just and reasonable for recovery of increased water purchase costs and authorizing same to be placed into effect on January 1, 2023; and
- (b) for any other, further relief that the Board may deem proper, equitable, and just.

Respectfully submitted,



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Dated: July 27, 2022

**VERIFICATION**

David G. Ern hereby certifies as follows:

1. I am President of Petitioner, Gordon's Corner Water Company, and am authorized to execute this Verification on its behalf. I have reviewed the Petition and supporting Exhibits filed in this matter.

2. I hereby certify that the information contained therein is true to the best of my knowledge, information and belief.



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David G. Ern  
President  
Gordon's Corner Water Company

DATED: July 26, 2022