



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)
MONTAGUE WATER AND SEWER) ORDER ADOPTING INITIAL
COMPANIES FOR AN INCREASE IN RATES) DECISION/STIPULATION
FOR WATER AND SEWER SERVICE) BPU DOCKET NO: WR12110983
) OAL DOCKET NO. PUC 16172-2012N

Parties of Record:

Walter G. Reinhard, Esq. for Petitioner
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

On November 7, 2012, Montague Water Company and Montague Sewer Company ("Petitioners"), New Jersey corporations and public utilities subject to the jurisdiction of the New Jersey Board of Public Utilities ("Board") filed a joint petition pursuant to N.J.S.A. 48:2-21, N.J.A.C. 14:1-5.11 and 14:1-5.12 et seq., seeking to increase and revise its base water rates in the amount of \$185,455 or approximately 65.5% and its sewer rates in the amount of \$83,166 or 44.3% above its proposed rate revenues.

By this Order, the Board considers the Initial Decision recommending adoption of the Stipulation of Settlement ("Stipulation") executed by the Petitioners, Board Staff and the Division of Rate Counsel ("Rate Counsel") (collectively "the Parties"), agreeing to an overall increase in water revenues totaling \$103,927 representing a 36.5% increase over present rate revenues of \$284,759, which will be implemented in two phases. The initial Phase I increase will be \$48,173 or 16.92% and will be effective on or about July 1, 2013. The Phase II increase will be \$55,754 or 16.87% and will be effective one year from the effective date of the Phase I increase. The Parties also agree to an increase in sewer revenues totaling \$22,397 or 10.6% over present sewer rate revenues totaling \$211,769.

BACKGROUND/PROCEDURAL HISTORY

Petitioners serve approximately 724 water customers and approximately 228 sewer customers in Montague Township, Sussex County, New Jersey.

Petitioners requested in their filing that the increase in rates become effective on December 7, 2012. On December 19, 2012, the Board issued an Initial Suspension Order suspending the proposed rates until April 7, 2013. On March 20, 2013, the Board further suspended rates until August 7, 2013.

On December 7, 2012, this matter was transmitted to the Office of Administrative Law ("OAL") and Administrative Law Judge ("ALJ") Leland McGee was assigned to hear the case. ALJ McGee conducted a telephonic prehearing conference on January 24, 2013.

A public hearing was held in the service territory at the Montague Township Municipal Building at 5:30 on April 2, 2013. Approximately twenty five members of the public attended and nine members of the public provided comments for the record. Their comments generally concerned the magnitude of the increases requested, service problems and water quality issues.

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

On June 3, 2013, ALJ McGee issued his Initial Decision in this matter recommending 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 Stipulation¹, the Parties recommend that the Petitioner's base water rates be increased by \$103,927, representing a 36.5% increase over present revenues totaling \$284,759. The Parties further recommend that the Petitioner's base sewer rates be increased by \$22,397 or approximately 10.5% over present revenues totaling \$211,769.

The Parties further agree on the following:

- The increase in sewer rates will become effective on or about July 1, 2013.
- Rates for water service will be implemented in two phases. The Parties agree to an initial Phase I increase of \$48,173 or 16.92% in water rates that will become effective on or about July 1, 2013. The Phase II increase of \$55,754 or 16.87% in water rates will be effective one year from the Phase I effective date.
- Petitioner's total rate base for water is \$697,807 based on a test year ending December 31, 2011, adjusted for known and measurable changes.
- Petitioner's total rate base for sewer is \$1,016,448.
- The return on equity is 9.75% for water and sewer with an overall rate of return of 8.16%.

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.

- Under the Phase I increase in water rates, an average residential customer using 2,777 gallons of water per month will see their water bill increase from \$31.92 to \$37.27 or approximately 16.75%. After the Phase II increase is implemented on or about July 1, 2014, a residential customer will see their water bill increase to \$43.54 per month, or approximately 16.8 % over their Phase I monthly water bill.
- The average residential sewer customer will see their sewer bill increase from \$63.92 per month to \$72.20 per month, an increase of \$8.28 or approximately 12.95%.
- The tariff pages (attached as Exhibit B and C to the Stipulation), implementing the terms of the Stipulation, should be adopted by the Board in their entirety.
- Attached as Exhibit D is a Proof of Revenues schedule for both the water and sewer companies.

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 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 forgoing, the Board **HEREBY APPROVES** an overall increase in revenues for Montague Water Company in the amount of \$103,927 representing a 36.5% increase over present rate revenues totaling \$284,759. The Board **HEREBY APPROVES** an overall increase in revenues for Montague Sewer Company in the amount of \$22,397, representing a 10.6% increase over present rate revenues totaling \$211,769.

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.

The Board **FURTHER ORDERS** that the Petitioner update its Tariff sheets on or prior to July 1, 2014 to reflect the second phase of increases in water rates.

This Order shall be effective on July 1, 2013.

DATED: 6/21/13

BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT

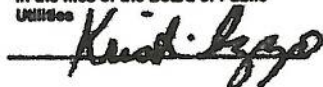

JEANNE M. FOX
COMMISSIONER


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 MONTAGUE WATER AND SEWER COMPANIES
FOR APPROVAL OF AN INCREASE IN RATES FOR WATER AND SEWER SERVICE
BPU DOCKET NO. WR12110983

SERVICE LIST

Walter G. Reinhard, Esq.
Norris McLaughlin & Marcus, P.A.
721 Route 202-206
Suite 200
Post Office Box 5933
Bridgewater, NJ 08807-5933

Carl Daniel
Regional Vice President
Utilities Inc.
5701 Westpark Drive, Suite 101
Charlotte, NC 28217

Stefanie A. Brand, Esq., Director
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625

Carolyn A. McIntosh, DAG
Department of Law and Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101

Maria Moran, Director
Michael Kammer, Chief, Bureau of Rates
Division of Water
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

RECEIVED

JUN 05 2013

BOARD OF PUBLIC UTILITIES
MAIL ROOM



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

REC'D

2013 JUN 5 PM 1 36

HJ BPU
CASE MANAGEMENT

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 16172-12

AGENCY DKT. NO. WR12110983

I/M/O THE PETITION OF MONTAGUE
WATER AND SEWER COMPANIES FOR
APPROVAL OF AN INCREASE IN RATES
AND CHARGES FOR WATER SERVICE AND
SEWER SERVICE.

Walter G. Reinhard, Esq. Norris, McLaughlin & Marcus, for Petitioner, Montague
Water Company and Montague Sewer Company

Carolyn A. McIntosh, Deputy Attorney General, for Staff of the New Jersey
Board of Public Utilities (Jeffrey S. Chiesa, Attorney General of New
Jersey)

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

Record Closed: May 29, 2013

Decided: June 3, 2013

BEFORE LELAND S. MCGEE, ALJ:

On December 7, 2012, this matter was transmitted to the Office of Administrative Law (OAL) for 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. A Public Hearing was held on April 2, 2013 in Montague Township, New Jersey. Evidentiary Hearing dates were scheduled for May 20, 2013, June 3, and 21, 2013. During the pendency of the case at the OAL, the parties reached a Settlement. A Settlement Agreement was prepared and executed indicating the terms of the agreement, which are incorporated herein by reference.

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

1. The parties have voluntarily agreed to the settlement as evidenced by their agreement or their representatives' agreement as set forth above.
2. The settlement fully disposes of all issues in controversy and is consistent with the law.

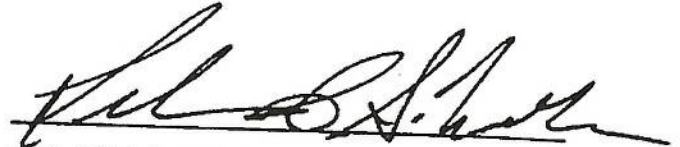
I **CONCLUDE** that this agreement meets the requirements of N.J.A.C. 1:1-19.1 and that the settlement should be approved. I approve the settlement and therefore **ORDER** that the parties comply with the settlement terms and that these proceedings be concluded.

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.

June 3, 2013

DATE



LELAND S. MCGEE, ALJ

Date Received at Agency:

June 3, 2013

Date Mailed to Parties:

lr

Attachment

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

RECEIVED

JUN 05 2013

BOARD OF PUBLIC UTILITIES
MAIL ROOM

IN THE MATTER OF THE PETITION
OF MONTAGUE WATER AND SEWER
COMPANIES FOR AN INCREASE IN RATES
FOR WATER AND SEWER SERVICE

) BPU Docket No. WR12110983
) OAL Docket No. PUC16172-2012N
) STIPULATION OF SETTLEMENT

APPEARANCES:

Walter G. Reinhard, Esq., Norris, McLaughlin & Marcus, on behalf of Montague Water Company and Montague Sewer Company, Petitioners

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

Carolyn A. McIntosh, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Jeffrey S. Chiesa, Attorney General of New Jersey).

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

The Parties in this proceeding are as follows: Montague Water and Sewer Companies ("Petitioners" or "Petitioner Montague Water and Petitioner Montague Sewer"), the Division of Rate Counsel ("Rate Counsel"), and the Staff of the Board of Public Utilities ("Board Staff"). As a result of an analysis of Petitioners' pre-filed testimony and exhibits, extensive discovery conducted by Rate Counsel and Board Staff, conferences, negotiations, and a public hearing held on April 2, 2013 in Montague Township, New Jersey, Petitioners, Board Staff and Rate Counsel have come to an agreement on the issues in dispute in this matter. The Parties hereto agree and stipulate as follows:

Petitioners Montague Water and Montague Sewer are public utility corporations of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities ("Board"). On November 7, 2012, Petitioners filed a Petition seeking to increase rates for water and sewer service and to make other water tariff and sewer tariff changes pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12. Petitioner Montague Water requested an increase in rates for water service of \$185,455 or approximately 65.5%, over present rate revenues for the period ending December 31, 2011. Petitioner Montague Sewer requested an increase in sewer rates of \$83,166 or approximately 44.3% over present rate revenue for the period ending December 31, 2011. In accordance with N.J.A.C. 1:1-8.1, the Board transferred the matter to the Office of Administrative Law as a contested case where it was assigned to Administrative Law Judge ("ALJ") Leland S. McGee.

After proper notice, a public hearing was held on the evening of April 2, 2013 at the Montague Township Municipal Building located in Montague Township, New Jersey. ALJ Leland S. McGee presided. Approximately 25 members of the public appeared and nine members of the public provided comments for the record. Thereafter, several settlement discussions were held by the Parties. During these discussions, the Parties reached a settlement resolving all issues in the case. As a result, the following Stipulation was reached by all Parties.

Montague Sewer Company

1. Montague Sewer Company's total rate base for the purpose of this proceeding is agreed to be \$1,016,448.
2. The Parties agree that the overall rate of return is 8.16%, which is based

on a return on equity of 9.75% and the parent company's capital structure at the end of the test year of 2011 of 49.58% equity and 50.42% long term debt with a cost rate of 6.60%.

3. The revenue increase for Montague Sewer Company is \$22,397, or approximately 10.6% over present rate revenues, as illustrated in Exhibit A to this Stipulation.. The increase is expected to become effective on or about July 1, 2013. No increase will take effect until the Board has had a full opportunity to review and make a determination regarding this stipulation and issues a written order approving any such increase. The Parties agree that this revenue requirement represents the level of revenues necessary to ensure that the Montague Sewer Company will continue to provide safe adequate and proper sewer service to its customers. Exhibit D, attached and incorporated herein, sets forth proof of revenues depicting the implementation of the sewer rates approved by the Parties herein

4. The typical residential sewer customer will see his or her bill increase from \$63.92 per month to \$72.20 per month, an increase of \$8.28 or approximately 12.95%.

Montague Water Company

5. Montague Water Company's total rate base for the purpose of this proceeding is agreed to be \$697,807.

6. The Parties agree that the overall rate of return is 8.16%, which is based on a return on equity of 9.75% and the parent company's capital structure at the end of the test year of 2011 of 49.58% equity and 50.42% long term debt with a cost rate of 6.60%.

7. The Parties stipulate that the revenue increase for Montague Water

Company is \$103,927.00, or 36.5% over present rate revenues, as illustrated in Exhibit A. to this Stipulation. . This increase will be implemented in two phases. The initial Phase I increase will be \$48,173 or 16.92% and will be effective on or about July 1, 2013. The Phase II increase will be \$55,754 or 16.87% and will take effect one calendar year from the Phase I effective date. No increase will take effect until the Board has had a full opportunity to review and make a determination regarding this stipulation and issues a written order approving any such increase. The Parties agree that this revenue requirement represents the level of revenues necessary to ensure that the Montague Water Company will continue to provide safe adequate and proper water service to its customers. Exhibit E, attached and incorporated herein, sets forth proof of revenues depicting the implementation of the water rates approved by the Parties herein

8. The average residential customer using 2,777 gallons per month will see his or her bill increase from \$31.92 to \$37.27 or approximately 16.75% after the effective date of the Phase I increase. After the effective date of the Phase II increase, the customer's bill will increase from \$37.27 to \$43.54, or approximately 16.8%.

Changes to Montague Water and Sewer Tariffs

9. The Parties agree that the changes to the tariff rate pages, together with other revisions as set forth in Exhibits B and C to this Stipulation, should be adopted by the Board in their entirety.

Miscellaneous

10. This Stipulation is the product of extensive negotiations by the Parties and it is an express condition of the settlement embodied by the Stipulation that it be

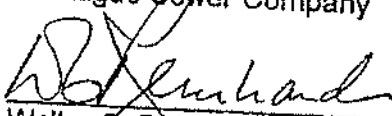
presented to the Board in its entirety without modification or condition. It is also the intent of the signatory parties to this Stipulation that this settlement, once accepted and approved by the Board, shall govern all issues specified and agreed to herein. The Parties to this Stipulation specifically agreed 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 agreed herein. The Parties further agree that the within Stipulation reflects 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 that any particular aspect of this Stipulation is not accepted and approved by the Board, then any Party hereto materially adversely affected thereby shall not be bound to proceed under this Stipulation. The Parties further agree that the purpose of this Stipulation is to reach fair and reasonable rates and that it will avoid protracted and costly litigation of certain issues and 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 agreement pertains only to this matter and to no other matter.

11. The Parties further acknowledge that any increase or resolution of any issue agreed to in this Stipulation, shall become effective upon service of the Board Order on all parties of record unless a later date is indicated in the Order.

.. .12.. - This Stipulation may be executed in as many counterparts as there are Parties to this Stipulation. Each of which counterpart shall be an original, but all of which shall constitute one of the same instrument.

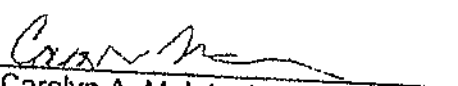
Norris, McLaughlin & Marcus, P.A.
Attorneys for Petitioners
Montague Water Company and
Montague Sewer Company

Dated: 5/28/2013.

By: 
Walter G. Reinhard, Esq.

Jeffrey S. Chiesa
Attorney General of New Jersey
Attorney for the Staff of the New Jersey
Board of Public Utilities

Dated: 5/28/13

By: 
Carolyn A. McIntosh,
Deputy Attorney General

Stefanie A. Brand, Esq., Director
Division of Rate Counsel

Dated: 5/28/13


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

EXHIBIT A

REVENUE REQUIREMENT SUMMARY

MONTAGUE WATER COMPANY

RATE BASE	\$697,807
RATE OF RETURN	8.16%
OPERATING INCOME REQUIRED	56,941
OPERATING INCOME AT PRESENT RATES	247
OPERATING INCOME DEFICIENCY	56,694
REVENUE MULTIPLIER	1.83313
REQUIRED REVENUE INCREASE	103,927
REVENUE AT PRESENT RATES	284,759
REVENUE INCREASE	36.5%

MONTAGUE SEWER COMPANY

RATE BASE	\$1,016,448
RATE OF RETURN	8.16%
OPERATING INCOME REQUIRED	82,942
OPERATING INCOME AT PRESENT RATES	70,764
OPERATING INCOME DEFICIENCY	12,178
REVENUE MULTIPLIER	1.83913
REQUIRED REVENUE INCREASE	22,397
REVENUE AT PRESENT RATES	211,769
REVENUE INCREASE	10.56%

MONTAGUE SEWER COMPANY
TARIFF
for
SEWER SERVICE
Applicable in
ALL TERRITORY SUPPLIED
IN THE TOWNSHIP OF MONTAGUE,
SUSSEX COUNTY, NEW JERSEY

Issued: November 23, 1999

Effective: November 12, 1999

Issued by: Carl J. Wenz, Vice President
Montague Sewer Company
266 Clove Road
Montague, New Jersey 07827

Issued pursuant to Order of the New Jersey Board of Public Utilities dated January 4, 2000 in
Docket No. WR98101162.

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Issued: June 21, 2013

Effective: July 1, 2013

Issued by: John Hoy, COO
Montague Water Company
266 Clove Road
Montague, New Jersey 07827

Issued pursuant to Order of the New Jersey Board of Public Utilities dated June ____, 2013 in
Docket No. WR12110983.

AN INTRODUCTION TO CUSTOMERS

The approved tariff located in the Company's office is available for your review. The Company is responsible to maintain its tariff with any changes approved by the Board of Public Utilities and must, by State Law and regulations, maintain it in exactly the same format as the Company's tariff on file at the Board of Public Utilities, 44 S. Clinton Ave., 9th Floor, P.O. Box 350, Trenton, New Jersey 08625. The Division of Water and Wastewater is on the 9th floor.

If, after you review this tariff and discuss it with appropriate Company employees, you still have questions regarding clarification or interpretations, please contact the Board of Public Utilities, Division of Water and Wastewater, Bureau of Rates and Tariff Design at (609) 633-9800 or the Board's Division of Customer Relations at (800) 624-0241, or (609) 341-9189.

You have the right to review this tariff at the Company's offices or at the Board's office in Newark. Your inquiries will be handled by the Board's staff in an expeditious manner in order to protect your rights as well as those of the water and/or sewer Company. Please feel free to exercise this right by telephone or by visiting the Board's offices at any time between the hours of 9:00AM to 4:00PM, Monday through Friday, or by writing a letter. The letter should contain the writer's name, address and phone number including the area code. If the writer is a customer of record, the account number should be included.

The company also has available in its office a leaflet entitled "An Overview of Common Customer Complaints and Customer Rights." This is a summary of the most frequent customer complaints and rights; it does not include all customer rights or utility obligations.

The Board of Public Utilities is responsible for the final interpretation and enforcement of a utility's tariff provisions and rates. The utility is bound by New Jersey statutes and the Board's regulations. If a conflict should exist in the tariff that is detrimental to the customer, the Board's regulations supersede the tariff provision absent specific approval to the contrary by the New Jersey Board of Public Utilities. A utility company may provide for more liberal treatment than that provided for in the Board's regulations.

Issued: June 21, 2013

Effective: July 1, 2013

Issued by: John Hoy, COO
Montague Water Company
266 Clove Road
Montague, New Jersey 07827

Issued pursuant to Order of the New Jersey Board of Public Utilities dated June ____, 2013 in
Docket No. WR12110983.

AN OVERVIEW OF COMMON CUSTOMER COMPLAINTS AND CUSTOMER RIGHTS

1. No public utility shall refuse to furnish or supply service to a qualified applicant. (Board Order CX86602155).
2. The utility shall not place the name of a second individual on the account of a residential customer unless specifically requested by said second individual. N.J.A.C. 14:3-3.2(b).

DEPOSITS

3. If after notice of the methods of establishing credit and being afforded an opportunity, a customer has not established satisfactory credit, the utility may require a deposit. The deposit amount shall be determined by taking the cost of service for one year, dividing by twelve and multiplying that figure by 2. Ex: 12 months total bills = \$763.54 divided by 12 = \$63.63 multiplied by 2 = \$127.26 deposit, or \$127.
4. The utility must furnish a receipt to any customer posting a deposit. The deposit will be returned with simple interest at a rate established annually by the Board of Public Utilities. Once the customer has established satisfactory credit with the utility, the deposit shall be returned to the customer with interest due. The customer has the option of receiving the deposit refund either by a check or a credit on the account. If a residential customer's deposit is not returned, the utility shall credit the customer's account with the accrued interest once every twelve months. N.J.A.C. 14:3-3.4, 3.5.
5. Where a water or sewer utility furnishes unmetered service, for which payment is received in advance, it may not require a deposit. N.J.A.C. 14:3-3.4 (j).

Issued: June 21, 2013

Effective: July 1, 2013

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266 Clove Road
Montague, New Jersey 07827

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Docket No. WR12110983.

DEFERRED PAYMENT AGREEMENTS

6. A customer is entitled to at least one deferred payment plan in one year. In the case of a residential customer who receives more than one utility service from the same utility (ex: water and sewer; gas and electric) and the amount which is in arrears is a combination of those services, the utility shall offer a separate deferred payment agreement for each service based on the outstanding balance for that service. N.J.A.C. 14:3-7.7(b)2. The Company must re-negotiate the deferred payment agreement should the customer's financial situation change significantly. The Company must also issue a new discontinuance notice each time it intends to shut off service, including defaults on the terms of the agreement. In the case of a residential customer who receives more than one utility service from the same utility and has subsequently entered into an agreement for each separate service, default on one such payment agreement shall constitute grounds for discontinuance of only that service. N.J.A.C.14:3-7.7(f).
7. A water and sewer utility shall not discontinue service because of non payment of bills in cases where a charge is in dispute provided the undisputed charges are paid and a request is made to the Board within five (5) days for investigation of the disputed charge. The Company must advise the customer of their right to appeal to the Board of Public Utilities. N.J.A.C. 14:3-7.6(b).
8. A customer has at least fifteen (15) days to pay a bill. A water and/or sewer utility may not discontinue water and sewer service unless written notice giving the customer at least ten (10) days notice prior to the proposed discontinuance. The notice shall not be given until after the expiration of the said fifteen (15) days time to pay a bill. N.J.A.C. 14:3-3A.3(b). The notice shall contain sufficient information for the customer to notify the Board of Public Utilities of the nature of the dispute. The utility shall make a good faith effort to determine which of its residential customers are over 65 years of age, and shall make good faith efforts to notify such customers of discontinuance of service by telephone in addition to notice by regular mail. This effort may consist of an appropriate inquiry set forth on the notice informing customers that they may designate a third party

Issued: June 21, 2013

Effective: July 1, 2013

Issued by: John Hoy, COO
Montague Water Company
266 Clove Road
Montague, New Jersey 07827

Issued pursuant to Order of the New Jersey Board of Public Utilities dated June ____, 2013 in Docket No. WR12110983.

- to receive notice of discontinuance. Utilities shall annually notify all residential customers that, upon request, notice of discontinuance of service will be sent to a designated third party as well as to the customer of record. N.J.A.C. 14:3-3A.4(b).
9. Public utilities shall not discontinue residential service except between the hours of 8:00AM and 4:00PM , Monday through Thursday, unless there is a safety related emergency. There shall be no involuntary termination of service on Fridays, Saturdays, and Sundays or on the day before a holiday or on a holiday absent such emergency.
 10. The occupant of a multiple family dwelling has the right to be notified of a pending service discontinuance at least fifteen (15) days prior to the service being discontinued.
 11. A customer has the right to have any complaint against the utility handled promptly by that utility. Board Order, Docket Number CO8602155.
 12. Each utility shall, upon request, furnish its customers with such information as is reasonable in order that the customers may obtain safe, adequate and proper service. N.J.A.C. 14:3-3.3(a). Each utility shall inform its customers, where peculiar or unusual circumstances prevail, as to the conditions under which sufficient and satisfactory service may be secured from its system. N.J.A.C. 14:3-3.3(c). Each utility shall supply its customers with information on the furnishing and performance of service in a manner that tends to conserve energy resources and preserve the quality of the environment. N.J.A.C. 14:3-3.3(d).

METERS

13. The utility must provide for one free meter test within a year if the customer so requests it. The customer can request that the Company or the Board may test the meter. A meter of a customer who has a complaint filed with the Board reflecting on the accuracy of the meter shall not be removed from service by the utility during the pendency of said complaint or during the following thirty (30) days unless otherwise authorized or directed

Issued: June 21, 2013

Effective: July 1, 2013

Issued by: John Hoy, COO
Montague Water Company
266 Clove Road
Montague, New Jersey 07827

Issued pursuant to Order of the New Jersey Board of Public Utilities dated June __, 2013 in Docket No. WR12110983.

by the Board. N.J.A.C. 14:3-4.8(c). When a billing dispute is known to exist, the electric gas or water utility shall, prior to removing the meter, advise the customer that they may have the meter tested by the utility or may have the Board either conduct a test of the meter or witness a testing of the meter by the utility, and that in any event the customer may have the test witnessed by a third party. N.J.A.C. 14:3-4.5(c). A meter test arising from a billing dispute may be appropriate in instances which include, but not limited to, unexplained increased consumption, crossed meters, consumption while an account is vacant or any other instance where the meters accuracy might be an issue in a bill dispute. N.J.A.C. 14:3-4.5(d).

14. Whenever a water meter is found to registering fast by more than one and one-half percent, an adjustment of charges shall be made in accordance with the following: (1) If the date when the meter had first become inaccurate can be ascertained then the adjustment shall be such percentage as the meter is found to be in error at the time of test adjusted to 100 percent on the amount of the bills covering the entire period that the meter has registered inaccurately. (2) In all other cases the adjustment shall be such percentage as the meter is found to be in error at the time of the test on one-half of the total amount of the billing affected by the fast meter adjusted to 100 percent since the previous test. No adjustment shall be made for a period greater than the time during which the customer has received service through that meter. No adjustment shall be made for a meter that is found to be registering less than 100 percent except in the case of meter tampering, non-registering meters or in circumstances in which the customer should reasonably have known that his bill did not reflect his usage. N.J.A.C. 14:3-4.6(d).
15. A utility must maintain records of customers accounts for each billing period occurring within a six (6) year period. Such records shall contain all information necessary to permit computation of the bill. N.J.A.C. 14:3-6.1(b).
16. Bills rendered must contain the following information: (A) The meter readings at the beginning and end of the billing period; (b) The dates on which the meter is read; (c) The number and kind of units measured; (d) Identification of applicable rate schedule or a

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Docket No. WR12110983.

statement that the applicable rate schedule will be furnished on request; (e) The amount of the bill; (f) A distinctive marking to indicate an estimated, averaged or a remote meter index; (g) An explanation or statement of any conversion from meter reading to billing units or any other calculations or factors used in determining the bill; and (h) The gross receipts and franchise tax statement. N.J.A.C. 14:3-7.2(b).

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Montague Water Company
266 Clove Road
Montague, New Jersey 07827

Issued pursuant to Order of the New Jersey Board of Public Utilities dated June ____, 2013 in
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TERRITORY SERVED

This tariff shall apply to the jurisdictional service area of MSC which includes a part of the Township of Montague, Sussex County, New Jersey including portions of the High Point Country Club community, in Montague Township.

Issued: November 23, 1999

Effective: November 12, 1999

Issued by: Carl J. Wenz, Vice President
Montague Sewer Company
266 Clove Road
Montague, New Jersey 07827

Issued pursuant to Order of the New Jersey Board of Public Utilities dated January 4, 2000 in Docket No. WR98101162.

STANDARD TERMS AND CONDITIONS

The Regulations of the New Jersey Board of Public Utilities applicable to sewer utilities are incorporated by reference to the extent that the subject matter of any Regulation has not been covered herein.

GENERAL RULES

1. Property owners wishing to connect their premises with the sewer line of the Company shall make application at the office of the Company and must agree to the terms, conditions and rates as set forth in this and subsequent tariffs of the Company.
 - (a) The owner of any property connecting with said sewerage system must make the house connection at his own expense. Any damage to the pavement, sidewalk, curb or gutter resulting from the making of such house connection shall be repaired at the owner's expense.
 - (b) The owner of any property connected to the sewerage system may not interfere with MSC's usage of any clean-out belonging to MSC's system. Said owner may not tamper with or obstruct the clean-out. Said owner shall see to it that his on-site septic tank is emptied as necessary, but at a minimum once every two years. Upon request of MSC, customer shall produce the tank cleaner's certificate. In the absence of a certificate, MSC shall be permitted to interrupt service, after proper notice, to protect its leach fields and other facilities.
2. Grease interceptors shall be provided by the customer, at customer's expense when, in the opinion of the Company, they are necessary for the proper handling of liquid wastes containing grease or other ingredients harmful to the sewer system or sewage treatment plant or processes.
 - (a) The size and type of each interceptor shall be determined according to maximum volume and rate of discharge, and each separator shall be approved by the Company. No wastes other than those requiring separation shall be discharged into any interceptor.

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Effective: July 1, 2013

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Montague Water Company
266 Clove Road
Montague, New Jersey 07827

Issued pursuant to Order of the New Jersey Board of Public Utilities dated June __, 2013 in Docket No. WR12110983.

3. Grease interceptors for major installations shall be a mechanical device which is not solely dependent upon employees, for maintenance and operation.
 - (a) All interceptors shall be installed upon the lines of the customers in such a manner and location that it is accessible for inspection by the employees of the Company.
4. No fixture or fixtures shall be installed in the premises of a customer in a basement or at any other point, unless the trap of the fixture is at least 6 inches above the level of the manhole cover of the Company's main which is nearest to the connection from said customer's premises. This provision does not apply where adequate pumping facilities are installed on premises. The Company may require the removal of any fixture which violates this provision and failure to remove such fixture within the time specified shall be cause for the Company to discontinue service and refuse further services until the offending fixture or fixtures are removed.
5. The Company shall not be liable, whatever the cause, for any damages, resulting from a backing up of sewerage through open traps in fixtures located in basements or otherwise or from open joints in sewer lines located in basements or elsewhere, where such traps or lines are less than 6 inches above the level of the manhole cover of the Company's main which is nearest to the connection from the premises of the customer.
6. In accordance with the National Standard Plumbing Code adopted by the Uniform Construction Code of the State of New Jersey, no storm drainage system of a building shall be connected directly or indirectly to the sanitary drainage system. The Company adopts the above provision and prohibits the drainage of storm water into its collecting system.
7. All persons, whose premises are connected with the Company's sewerage system or otherwise discharging sewage, wastes, water or other liquids either directly or indirectly into the sewerage system, shall be charged for such service according to the approved rates filed with the Board of Public Utilities of the State of New Jersey.

Issued: November 23, 1999

Effective: November 12, 1999

Issued by: Carl J. Wenz, Vice President
Montague Sewer Company
266 Clove Road
Montague, New Jersey 07827

Issued pursuant to Order of the New Jersey Board of Public Utilities dated January 4, 2000 in Docket No. WR98101162.

8. Sewerage service may be discontinued by the Company for any of the following reasons:

(a) For non-payment of a valid bill for service based on the rates approved by the Board and contained in the utility's tariff. Customers unable to pay the full bill shall be afforded the opportunity to enter into a reasonable deferred payment agreement.

(b) For the refusal to admit the proper representative of the company who requires admission to the premises.

(c) All notices herein of discontinuance shall be delivered to the owner personally or by registered mail, addressed to the last address of the owner listed in the records of the Company. On all notices of discontinuance to residential customers, there shall be included:

(1) A statement that the utility is subject to the jurisdiction of the New Jersey Board of Public Utilities and the address and phone number of the Board. The telephone number of the Board to be indicated on such statement are (609) 341-9189 and (800) 624-0241 (toll free).

(2) A statement that in the event the customer is either unable to make payment of a bill or wishes to contest a bill the customer should contact the utility. The notice shall contain information sufficient for the customer to make appropriate inquiry.

(3) A statement that if the customer is presently unable to pay an outstanding bill, the customer may contact the utility to discuss the possibility of entering into a reasonable deferred payment agreement. In the case of a residential customer receiving more than one different service from the same utility, the statement shall state that deferred payment agreements are available separately for each utility service.

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Effective: July 1, 2013

Issued by: John Hoy, COO
Montague Water Company
266 Clove Road
Montague, New Jersey 07827

Issued pursuant to Order of the New Jersey Board of Public Utilities dated June __, 2013 in Docket No. WR12110983.

(d) The utility shall make every reasonable attempt to determine when a landlord-tenant relationship exists at residential premises being serviced. If such a relationship is known to exist, discontinuance of residential service is prohibited unless the utility has posted notice of discontinuance in the common areas of multiple family premises and has given individual notice to occupants of single and two family dwellings and has offered the tenants continued service to be billed to the tenants, unless the utility demonstrates that such billing is not feasible. The utility shall not be held to the requirements of this provision if the existence of a landlord-tenant relationship could not be reasonably ascertained.

(e) If sewer service is disconnected by the utility for any reason the customer will be assessed a charge of \$37.50 which will be paid before service is restored. This charge will be waived automatically one time per calendar year. Customers who request to be reconnected within nine months of disconnection will be assessed an appropriate base facilities charge for the service period the customers was disconnected, which will be paid before service is restored.

9. The Company reserves the right subject to approval of the Board of Public Utilities of the State of New Jersey, to change, take from, or add to the foregoing rules, regulations, terms and conditions.
10. Customers wishing to discontinue service must give notice to that effect. Where such notice is not received by the utility, the customer shall remain liable for service until notice is received.
11. Rates apply to normal sewerage as defined by the N.J. Department of Environmental Protection ("DEP"). The Company reserves the right to require pretreatment prior to discharge into the sewer system if the sewerage contains harmful substances such as gasoline, P.C.B.s, oil, explosive liquids, grease, phenols, acid, alkalines, lint, excessive detergents or any other toxic or hazardous substances as defined by DEP. This paragraph includes but is not limited to laundromats or dry cleaners where the owner will be required to provide a screen or filter to remove excessive lint before discharge into the sewer system.
12. Any customer making payment with a check returned for insufficient funds shall be charged \$25.00, said sum payable with the original amount due.

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Montague Water Company
266 Clove Road
Montague, New Jersey 07827

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BILLS

13. A customer's responsibility to pay for sewer service continues from the time service is commenced, pursuant to his application, until written notice is received by the Company of a change of ownership or occupancy of the premises or written notice is received by the Company to discontinue the applicable service. No allowance will be made in cases of nonoccupancy, unless the Company is notified in writing in the manner stated above. Notice to discontinue service will not relieve a customer from responsibility for any minimum or guarantee payment.
14. Where sewer service is discontinued for nonpayment of bills, service will not be resumed until payment or satisfactory arrangements for payment have been made. Under such circumstances, MSC may require a deposit from the customer to insure prompt payment of future bills.

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Issued by: Carl J. Wenz, Vice President
Montague Sewer Company
266 Clove Road
Montague, New Jersey 07827

Issued pursuant to Order of the New Jersey Board of Public Utilities dated January 4, 2000 in Docket No. WR98101162.

RATE SCHEDULE NO. 1

Residential Service

Applicable to use of service for:

Residential sewer service.

Character of Service:

Continuous

Rate: For each dwelling unit: \$ 72.20 per month

Payable monthly
in arrears.

Terms of Payment:

Net cash, becoming delinquent
21 days from date of billing

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Effective: July 1, 2013

Issued by: John Hoy, COO
Montague Water Company
266 Clove Road
Montague, New Jersey 07827

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Docket No. WR12110983.

RATE SCHEDULE NO. 2

Commercial Service

Applicable: for sewer service to Commercial customers

Character of Service: Continuous

Rate: By water meter size

<u>Meter Size</u>	<u>Rate</u>
5/8"	\$360.99
3/4"	541.48
1"	902.47
1.5"	1,804.94
2"	2,887.91
3"	5,414.82
4"	9,024.71
6"	18,049.41

Payable: monthly in arrears.

Terms of Payment: Net cash, becoming delinquent 21 days from date of billing

Issued: June 21, 2013

Effective: July 1, 2013

Issued by: John Hoy, COO
Montague Water Company
266 Clove Road
Montague, New Jersey 07827

Issued pursuant to Order of the New Jersey Board of Public Utilities dated June ____, 2013 in Docket No. WR12110983.

MONTAGUE WATER COMPANY
B.P.U. No. 2 - Water

EXHIBIT C

MONTAGUE WATER COMPANY
TARIFF
for
WATER SERVICE
Applicable in
ALL TERRITORY SUPPLIED
IN THE TOWNSHIP OF MONTAGUE,
SUSSEX COUNTY, NEW JERSEY

Issued: November 23, 1999

Effective: November 12, 1999

Issued by: Carl J. Wenz, Vice President
Montague Water Company
266 Clove Road
Montague, New Jersey 07827

Issued pursuant to Order of the New Jersey Board of Public Utilities dated January 4, 2000 in
Docket No. WR98101161.

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Docket No. WR12110983.

AN INTRODUCTION TO CUSTOMERS

The approved tariff located in the Company's office is available for your review. The Company is responsible to maintain its tariff with any changes approved by the Board of Public Utilities and must, by State Law and regulations, maintain it in exactly the same format as the Company's tariff on file at the Board of Public Utilities, 44 S. Clinton Ave., 9th Floor, P.O. Box 350, Trenton, New Jersey 08625. The Division of Water and Wastewater is on the 9th floor.

If, after you review this tariff and discuss it with appropriate Company employees, you still have questions regarding clarification or interpretations, please contact the Board of Public Utilities, Division of Water and Wastewater, Bureau of Rates and Tariff Design at (609) 633-9800 or the Board's Division of Customer Relations at (800) 624-0241, or (609) 341-9189.

You have the right to review this tariff at the Company's offices or at the Board's office in Newark. Your inquiries will be handled by the Board's staff in an expeditious manner in order to protect your rights as well as those of the water and/or sewer Company. Please feel free to exercise this right by telephone or by visiting the Board's offices at any time between the hours of 9:00AM to 4:00PM, Monday through Friday, or by writing a letter. The letter should contain the writer's name, address and phone number including the area code. If the writer is a customer of record, the account number should be included.

The company also has available in its office a leaflet entitled "An Overview of Common Customer Complaints and Customer Rights." This is a summary of the most frequent customer complaints and rights; it does not include all customer rights or utility obligations.

The Board of Public Utilities is responsible for the final interpretation and enforcement of a utility's tariff provisions and rates. The utility is bound by New Jersey statutes and the Board's regulations. If a conflict should exist in the tariff that is detrimental to the customer, the Board's regulations supersede the tariff provision absent specific approval to the contrary by the New Jersey Board of Public Utilities. A utility company may provide for more liberal treatment than that provided for in the Board's regulations.

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Montague, New Jersey 07827

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Docket No. WR12110983.

AN OVERVIEW OF COMMON CUSTOMER COMPLAINTS AND CUSTOMER RIGHTS

1. No public utility shall refuse to furnish or supply service to a qualified applicant. (Board Order CX86602155).
2. The utility shall not place the name of a second individual on the account of a residential customer unless specifically requested by said second individual. N.J.A.C. 14:3-3.2(b).

DEPOSITS

3. If after notice of the methods of establishing credit and being afforded an opportunity, a customer has not established satisfactory credit, the utility may require a deposit. The deposit amount shall be determined by taking the cost of service for one year, dividing by twelve and multiplying that figure by 2. Ex: 12 months total bills = \$763.54 divided by 12 = \$63.63 multiplied by 2 = \$127.26 deposit, or \$127.
4. The utility must furnish a receipt to any customer posting a deposit. The deposit will be returned with simple interest at a rate established annually by the Board of Public Utilities. Once the customer has established satisfactory credit with the utility, the deposit shall be returned to the customer with interest due. The customer has the option of receiving the deposit refund either by a check or a credit on the account. If a residential customer's deposit is not returned, the utility shall credit the customer's account with the accrued interest once every twelve months. N.J.A.C. 14:3-3.4, 3.5.
5. Where a water or sewer utility furnishes unmetered service, for which payment is received in advance, it may not require a deposit. N.J.A.C. 14:3-3.4(j).

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Docket No. WR12110983.

DEFERRED PAYMENT AGREEMENTS

6. A customer is entitled to at least one deferred payment plan in one year. In the case of a residential customer who receives more than one utility service from the same utility (ex: water and sewer; gas and electric) and the amount which is in arrears is a combination of those services, the utility shall offer a separate deferred payment agreement for each service based on the outstanding balance for that service. N.J.A.C. 14:3-7.7(b)2. The Company must re-negotiate the deferred payment agreement should the customer's financial situation change significantly. The Company must also issue a new discontinuance notice each time it intends to shut off service, including defaults on the terms of the agreement. In the case of a residential customer who receives more than one utility service from the same utility and has subsequently entered into an agreement for each separate service, default on one such payment agreement shall constitute grounds for discontinuance of only that service. N.J.A.C.14:3-7.7(f).
7. A water and sewer utility shall not discontinue service because of non payment of bills in cases where a charge is in dispute provided the undisputed charges are paid and a request is made to the Board within five (5) days for investigation of the disputed charge. The Company must advise the customer of their right to appeal to the Board of Public Utilities. N.J.A.C. 14:3-7.6(b).
8. A customer has at least fifteen (15) days to pay a bill. A water and/or sewer utility may not discontinue water and sewer service unless written notice giving the customer at least ten (10) days notice prior to the proposed discontinuance. The notice shall not be given until after the expiration of the said fifteen (15) days time to pay a bill. N.J.A.C. 14:3-3A.3(b). The notice shall contain sufficient information for the customer to notify the Board of Public Utilities of the nature of the dispute. The utility shall make a good faith effort to determine which of its residential customers are over 65 years of age, and shall make good faith efforts to notify such customers of discontinuance of service by telephone in addition to notice by regular mail. This effort may consist of an appropriate inquiry set forth on the notice informing customers that they may designate a third party

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Docket No. WR12110983.

- to receive notice of discontinuance. Utilities shall annually notify all residential customers that, upon request, notice of discontinuance of service will be sent to a designated third party as well as to the customer of record. N.J.A.C. 14:3-3A.4(b).
9. Public utilities shall not discontinue residential service except between the hours of 8:00AM and 4:00PM , Monday through Thursday, unless there is a safety related emergency. There shall be no involuntary termination of service on Fridays, Saturdays, and Sundays or on the day before a holiday or on a holiday absent such emergency.
 10. The occupant of a multiple family dwelling has the right to be notified of a pending service discontinuance at least fifteen (15) days prior to the service being discontinued.
 11. A customer has the right to have any complaint against the utility handled promptly by that utility. (Board Order, Docket Number CO8602155)
 12. Each utility shall, upon request, furnish its customers with such information as is reasonable in order that the customers may obtain safe, adequate and proper service. N.J.A.C. 14:3-3.3(a). Each utility shall inform its customers, where peculiar or unusual circumstances prevail, as to the conditions under which sufficient and satisfactory service may be secured from its system. N.J.A.C. 14:3-3.3(c). Each utility shall supply its customers with information on the furnishing and performance of service in a manner that tends to conserve energy resources and preserve the quality of the environment. N.J.A.C. 14:3-3.3(d).

METERS

13. The utility must provide for one free meter test within a year if the customer so requests it. The customer can request that the Company or the Board may test the meter. A meter of a customer who has a complaint filed with the Board reflecting on the accuracy of the meter shall not be removed from service by the utility during the pendency of said complaint or during the following thirty (30) days unless otherwise authorized or directed

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by the Board. N.J.A.C. 14:3-4.8(c). When a billing dispute is known to exist, the electric gas or water utility shall, prior to removing the meter, advise the customer that they may have the meter tested by the utility or may have the Board either conduct a test of the meter or witness a testing of the meter by the utility, and that in any event the customer may have the test witnessed by a third party. N.J.A.C. 14:3-4.5(c). A meter test arising from a billing dispute may be appropriate in instances which include, but not limited to, unexplained increased consumption, crossed meters, consumption while an account is vacant or any other instance where the meters accuracy might be an issue in a bill dispute. N.J.A.C. 14:3-4.5(d).

14. Whenever a water meter is found to registering fast by more than one and one-half percent, an adjustment of charges shall be made in accordance with the following: (1) If the date when the meter had first become inaccurate can be ascertained then the adjustment shall be such percentage as the meter is found to be in error at the time of test adjusted to 100 percent on the amount of the bills covering the entire period that the meter has registered inaccurately. (2) In all other cases the adjustment shall be such percentage as the meter is found to be in error at the time of the test on one-half of the total amount of the billing affected by the fast meter adjusted to 100 percent since the previous test. No adjustment shall be made for a period greater than the time during which the customer has received service through that meter. No adjustment shall be made for a meter that is found to be registering less than 100 percent except in the case of meter tampering, non-registering meters or in circumstances in which the customer should reasonably have known that his bill did not reflect his usage. N.J.A.C. 14:3-4.6(d).
15. A utility must maintain records of customers accounts for each billing period occurring within a six (6) year period. Such records shall contain all information necessary to permit computation of the bill. N.J.A.C. 14:3-6.1(b).
16. Bills rendered must contain the following information: (A) The meter readings at the beginning and end of the billing period; (b) The dates on which the meter is read; (c) The number and kind of units measured; (d) Identification of applicable rate schedule or a

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Montague Water Company
266 Clove Road
Montague, New Jersey 07827

Issued pursuant to Order of the New Jersey Board of Public Utilities dated June ___, 2013 in Docket No. WR12110983.

MONTAGUE WATER COMPANY
B.P.U. No. 2 - Water

First Revised Sheet No. 7
Replacing Original Sheet No. 7

statement that the applicable rate schedule will be furnished on request; (e) The amount of the bill; (f) A distinctive marking to indicate an estimated, averaged or a remote meter index; (g) An explanation or statement of any conversion from meter reading to billing units or any other calculations or factors used in determining the bill; and (h) The gross receipts and franchise tax statement. N.J.A.C. 14:3-7.2(b).

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Issued by: John Hoy, COO
Montague Water Company
266 Clove Road
Montague, New Jersey 07827

Issued pursuant to Order of the New Jersey Board of Public Utilities dated June __, 2013 in
Docket No. WR12110983.

TERRITORY SERVED

This tariff shall apply to the jurisdictional service area of MWC which includes a part of the Township of Montague, Sussex County, New Jersey including High Point Country Club community, the "True" Tract and the "Armstrong/Alnorth" Tract in Montague Township.

Issued: November 23, 1999

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Issued by: Carl J. Wenz, Vice President
Montague Water Company
266 Clove Road
Montague, New Jersey 07827

Issued pursuant to Order of the New Jersey Board of Public Utilities dated January 4, 2000 in Docket No. WR98101161.

STANDARD TERMS AND CONDITIONS

The Regulations of the New Jersey Board of Public Utilities applicable to water utilities are incorporated by reference to the extent that the subject matter of any Regulation has not been covered herein.

GENERAL RULES

1. MWC will endeavor to provide a regular and uninterrupted supply of water through its facilities, but in case service is interrupted, irregular, defective or fails because of breakdown or emergency, or from causes beyond the control of MWC, it will not be liable for damage or inconvenience resulting therefrom.
2. MWC does not undertake to render any special service or maintain any fixed pressure. In the event of an accident or for other reasons, MWC may shut off the water in its mains and pipes and may restrict the use of water whenever the public welfare may require it. All customers requiring an uninterrupted supply or a uniform pressure of water for steam boilers, hot water or other apparatus, or for any other purpose, shall provide their own means of obtaining such service.
 - a. As necessity may arise in case of a break, emergency, or other unavoidable causes, MWC shall have the right to temporarily cut off the water supply in order to make the necessary repairs, connections, etc., but MWC will use all reasonable and practicable measures to provide notice to the Customer in advance of such discontinuance of service. In no case will MWC be liable for any damage or inconvenience suffered by the customer, nor in any case for any claim against it for interruption of service, lessening of supply, inadequate pressure, poor quality of water, or any other cause beyond its control. MWC may restrict or regulate the quantity of water used by Consumers in case of scarcity, in the case of waste by a customer, or whenever the public welfare may require it.

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3. When the supply of water is to be shut off temporarily or curtailed, a notice stating the purpose and probable duration of the shutoff or curtailment will be given to customers affected whenever practicable.
4. MWC does not undertake to supply any uniform quality of water for special purposes, such as manufacturing or processing plants, laboratories, swimming pools, bleaching or dyeing plants or laundries. Customers requiring water of special quality, or water at all times free from discoloration or turbidity, shall provide their own means of treating the water or shall provide such other protection as may be deemed necessary for the purposes required.
5. Neither by inspection approval or nonrejection, nor in any other way, does MWC give any guarantee, or assume any responsibility, express or implied, as to the adequacy, safety or characteristics of any structures, equipment, pipes, appliances or devices owned, installed, or maintained by the customer or leased by the customer from third parties, including the meter vault, meter stubs, check valve, shut-off valve and pressure reducing valve, if any, all of which shall remain the responsibility of the customer.
6. Except as to the liability, if any, imposed by law, MWC will not assume responsibility for any injury, casualty, or damage resulting from the supply, or use of water service or hydrants, or from the presence or operation of MWC's structures, equipment, pipes, appliances or devices on the customer's premises.
 - a. Each hydrant on customer's property shall be maintained by the customer so as to provide easy access to fire department and utility personnel. MWC shall not be liable for damage to customer's landscaping resulting from inspection, testing or use of the hydrant.
7. No person, unless authorized by MWC, is permitted to turn the water on or off at any street valve, corporation stop and curb stop, or other street connection, or tamper with, disconnect or remove, any meter without consent. Penalties provided by law for any such

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266 Clove Road
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Docket No. WR98101161.

- action will be rigidly enforced.
8. No agent, representative or employee of MWC has authority to modify any provision contained in this Tariff or to bind MWC by any promise or representation contrary thereto.
 9. Water service supplied by MWC shall not be resold by a customer, except by a duly authorized water utility.
 10. This Tariff is made a part of all agreements for the supply of water service unless specifically modified in a particular Rate Schedule. A copy of the Tariff with terms and conditions will be furnished to any customer upon request.
 11. MWC reserves the right to terminate, change, revise or supplement this Tariff, to the extent permitted by law, or permitted by the applicable regulations of the State regulatory body having jurisdiction.
 12. In the event that service to a customer is discontinued, the Base Facilities charge to such customer will be prorated to the date of discontinuance.
 13. Applications for use of water must be made to MWC. All customers must notify MWC of the intent to install built-in sprinklers prior to installation. All built-in sprinklers must contain a back flow protection device approved by MWC.

APPLICATION FOR ESTABLISHMENT OF SERVICE

14. Application may be made for a new connection and service pipe through which water service is not immediately desired. A special form of agreement shall be entered into, which provides that the customer shall bear the entire expense of making the connection, subject to a refund of the cost of installing the service line from the main to the curb, including the curb stop, whenever regular service is commenced. No refunds will be

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made after ten years from the date of installation of the connection.

CUSTOMERS' DEPOSITS

15. Deposits may be required where any customer to whom MWC may be supplying water or an applicant for metered water service has not established or maintained their credit. The amount of the deposit will not exceed the estimated average bill for the billing period and type of service under the applicable rate schedule plus one month where monthly billing periods apply or one third when quarterly billing periods apply.
16. MWC shall review a residential customer's account at least once every year and a non-residential customer's account at least once every two years and if such review indicates that the customer has established credit satisfactory to the utility, then the outstanding deposit shall be refunded to the customer.
17. Following discontinuance of service, the customer will receive a refund of any deposit, together with outstanding interest, less any amount due for unpaid bills.

SERVICE PIPES

18. The service pipe from the distribution main to the curb line, including the curb stop or valve, will be furnished, installed and maintained by the company at its expense, except as provided in Paragraph 14, Original Sheet No. 11 for a new connection and service pipe through which water service is not immediately desired.
19. Any change requested by the customer in the location of the existing service pipe, if approved by MWC, shall be made at the expense of the customer.

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CONNECTING PIPES

20. A connecting pipe attached to the service pipe shall be installed at the expense of the customer to convey the water supply within the property of the customer.
21. The connecting pipe is the property of the customer and shall be maintained and kept in repair by the customer.
22. The connecting pipe shall be copper tubing or other pipe of strength and quality approved by the company. The minimum diameter of the pipe shall be 3/4 inch or larger. Ductile iron, cast iron or other pipe permitted by governing plumbing codes and of a quality approved by the company shall be used.

METERS

23. MWC will furnish, install and maintain meters without charge, except as otherwise provided in this Tariff, and will determine the size, type and make of meter to be used, based on the service desired.
24. Meters shall be installed inside buildings unless otherwise required or agreed to by the company. Meters installed indoors shall be located in a clean, dry, safe place not subject to great variations in temperature, as close as possible to the point of entrance of the connecting pipe. The location shall be such as to be easily accessible, with a minimum of inconvenience to the customer or to the company, for reading, inspecting, testing, changing and making necessary adjustments or repairs.
25. Where it is necessary to set a meter outside of a building, the meter shall be placed in a convenient meter box or vault, referred to as the meter housing. This installation is subject to the approval of the company. The cost of installing and maintaining a customer owned meter housing or vault, meter stubs, check valve, shut-off valve and pressure reducing valve, if any, is the responsibility of the customer.

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26. Meter vaults or housings shall be located in an accessible place, protected from vehicular traffic, away from terraces, fences or other structures and shall be so located that they will not be a hazard to pedestrians.
27. If the meter vault is installed upon property which is not owned by the customer, the customer is required to furnish the company written permission from the owner of the property which will be binding on the owner, his administrators, executors, heirs, successors and assigns.
28. The meter housing shall be frostproof and either well drained or watertight and shall be provided with a strong cover fastened with a convenient locking device. The cover shall be kept clear of snow, ice, dirt or any other objects which might prevent easy accessibility for reading, inspecting, testing, changing and making necessary adjustments or repairs of the meter.

CUSTOMERS' PREMISES

29. MWC may refuse to provide a water service connection with any customer's piping system or furnish water to any connecting pipe already installed, when the customer's piping system is not installed in accordance with the regulations of the company and of the municipality in which the premises are located; or when the piping system on the premises is not at sufficient depth to prevent freezing.
30. MWC shall have the right of reasonable access to a customer's premises and to all property supplied by it, at reasonable times, for the purpose of inspection incident to the rendering of service, reading meters or inspecting, testing or repairing its facilities used in connection with supplying service, for the removal of its property, or incident to the discontinuance of service.
31. Physical connections, such as cross connections, either permanent or temporary, between pipes on a customer's premises supplied by the company and any unapproved source of

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supply are prohibited.

32. Whenever leakage occurs on pipes and facilities owned by the customer, the customer shall make the necessary repairs without delay. If the customer fails to make said repairs, the company reserves the right to discontinue the supply until such time as the leak is repaired. A reconnection charge will apply should the company take action to physically discontinue water service.

BILLS

33. All bills will be computed in accordance with the rates of MWC as shown in this Tariff, as the same may be amended or revised from time to time. Rates are subject to such changes as the State regulatory body having jurisdiction may require, authorize or allow.
34. A customer's responsibility to pay for water service continues from the time service is commenced, pursuant to his application, until written notice is received by the company of a change of ownership or occupancy of the premises or written notice is received by the company to discontinue the applicable service. Upon receipt of such notice, the company will arrange for a final meter reading and billing. No allowance will be made in cases of non-occupancy, unless the company is notified in writing in the manner stated above. Notice to discontinue service will not relieve a customer from responsibility for any minimum or guarantee payment.
35. Where water service is discontinued for nonpayment of bills, service will not be resumed until payment or satisfactory arrangements for payment have been made. Under such circumstances, MWC may require a deposit from the customer to insure prompt payment of future bills.
36. Where water service is temporarily discontinued at the customer's request, the customer shall remain responsible for payment of the Base Facilities charge.
- a. Where water service is provided to a customer through a master meter (as in condominium complexes or apartments), the monthly base facilities charge shall be based upon the number of units.

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37. Any check returned unpaid shall result in a charge of \$25.00.

DISCONTINUANCE OF SERVICE

38. The company may, upon reasonable notice, when such notice can be reasonably given, suspend, curtail or discontinue service for the following reasons (N.J.A.C. 14:3-3A.1(a)):

- a. For the purpose of making permanent or temporary repairs, changes or improvements in any part of its system.
- b. To comply in good faith with any governmental order or directive to suspend, curtail or discontinue service, notwithstanding that such order or directive subsequently may be held to be invalid.
- c. For any of the followings acts or omissions on the part of the customer:
 - (1) Nonpayment of any valid bill due for service furnished at any present or previous locations.
 - (2) Tampering with any facility of the company.
 - (3) Fraudulent representation in relation to the use of service.
 - (4) Customer moving from the premises, unless the customer requests that service be continued.
 - (5) Providing water service to others without the approval of the company.
 - (6) Failure to make or increase an advance payment or deposit as provided in this Tariff.

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- (7) Connecting and operating in such manner as to produce disturbing effects on the service of the company or other customers.
- (8) Failure to remove any temporary or permanent physical connection or interconnection to any unapproved source of supply or other piping system.
- (9) Maintenance of any water outlet improperly protected against backflow or back-siphonage.
- (10) Willful waste of water through improper or imperfect pipes, fixtures or otherwise.
- (11) Failure to maintain, in good order, connecting pipes, connections or fixtures owned by the customer.
- (12) Failure or neglect to connect to a new service pipe installed in front of a customer's premises.
- (13) Failure to properly construct and maintain customer owned meter housings.
- (14) Failure to comply with the Standard Terms and Conditions contained in this Tariff or because of violation of any State law, or the rules, regulations, orders of restrictions of any governmental authority having jurisdiction.
- (15) Where the condition of the customer's installation presents a hazard to life or property.

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- (16) For failure to authorize installation of a remote meter reading device when required to do so by the provisions of these Standard Terms and Conditions.
- d. For refusal of reasonable access to customer's premises for necessary purposes in connection with rendering of service, including meter installation, reading, or testing, or the maintenance or removal of the company's property.
- e. If sewer service is disconnected by the utility for any reason the customer will be assessed a charge of \$37.50 which will be paid before service is restored. This charge will be waived automatically one time per calendar year. Customers who request to be reconnected within nine months of disconnection will be assessed an appropriate base facilities charge for the service period the customers was disconnected, which will be paid before service is restored.

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EMERGENCY RESPONSES DUE TO EXTRAORDINARY
DEMAND AND/OR DIMINISHED SUPPLY

- A. Discontinuance of service for failure to comply with use restrictions.

For compliance by MWC in good faith with any governmental order or directive, notwithstanding that such order or directive subsequently may be held to be invalid, MWC may, upon reasonable notice, suspend, curtail or discontinue service pursuant to N.J.S.A. 48:2-23, N.J.S.A. 48:2-24, and N.J.A.C. 14:3-3A.1(a) for any of the following acts or omissions on the part of the customer:

- (1) Connecting or operating any piping or other facility, including but not limited to, lawn sprinkling on the customer's premises in such a manner as to adversely affect the safety or adequacy of service provided to other customers present or prospective; or
- (2) Continuing waste of water by customers after notice from MWC through improper or imperfect pipes, fixtures, or failure to comply with restrictions; or
- (3) Failure to comply with the standard terms and conditions contained in this tariff or failure to comply with any state law, or the rules, regulations, orders or restrictions of any governmental authority having jurisdiction.

- B. Water service shall be restored when the conditions under which such services was discontinued, as specified above, are corrected and upon the payment of the SPECIAL RESTORATION OF SERVICE CHARGE of \$100.00 for each restoration.

- C. MWC will endeavor to provide a regular and uninterrupted supply of water through its facilities. However, if because of emergencies beyond the control of MWC, including governmental mandate, service is interrupted, irregular, defective or fails, MWC will not be liable for damage or inconvenience resulting therefrom. In the event of an

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extraordinary demand and/or diminished supply, MWC may restrict the use of water whenever the public welfare may require it and, if necessary, may shut off the water in its mains and pipes. In such cases, MWC shall advise its customers by placing a prominent advertisement detailing the conditions and restrictions in a newspaper of general circulation in the utility service area. The notice will state the purpose and probable duration of the restriction or discontinuance. Failure to provide regular and uninterrupted service due to breakdowns is covered under other sections of this tariff.

- D. MWC may restrict water service during certain periods, where MWC advises the Board of Public Utilities, in order to protect the public water supply, or otherwise to comply with any regulations, orders or decrees issued by the Governor of New Jersey or the Department of Environmental Protection pursuant to the Water Supply Management Act. Such interruptions or restrictions shall be reported to the Department of Environmental Protection and the Board of Public Utilities by the speediest means of communication available, followed by a detailed written report, pursuant to the provisions of N.J.A.C. 14:3-3A.1(a) and N.J.A.C. 14:3-3.7, within one week. Thereafter, The Company shall provide weekly reports for the duration of the emergency.
- E. When the supply of water to individual customers is to be shut off or curtailed for failure to comply with emergency water restrictions imposed because of extraordinary demand or diminished supply, MWC shall advise its customers by placing a doortag on the front door of the home of the individual(s) in violation of the restrictions, at least twenty-four (24) hours prior to discontinuance or curtailment, or by giving another form of notice acceptable to the MWC. MWC will advise business and commercial customers, in writing, by mailing a notice to the customers' billing address. In the case of doortags, they shall be sequentially numbered and include the date, time and nature of the violation and the procedure for restoration of service. All such notices shall be accounted for by the utility.

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RATE SCHEDULE NO. 1

Residential Service

Applicable to use of service for: Residential Service

Character of Service: Continuous

Rate: Monthly charges

Base facilities charge:

<u>Meter Size</u>	<u>Rate</u>
5/8"	11.94
3/4"	11.94
1"	29.85
1.5"	59.71
2"	95.53
3"	179.12
4"	298.54
6"	597.07

Metered consumption: \$9.12 per thousand gallons

Terms of Payment:

Net cash, becoming delinquent
21 days from date of billing

The above rate does not include the water tax of \$0.01 per 1,000 gallons pursuant to L. 1983, c. 443.

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RATE SCHEDULE NO. 2

Commercial Service

Applicable to use of service for: Water service to commercial customers.

Character of Service: Continuous

Rate: Monthly charges

Base facilities charge:

<u>Meter Size</u>	<u>Rate</u>
5/8"	35.82
3/4"	53.74
1"	89.56
1.5"	179.12
2"	286.60
3"	537.37
4"	895.61
6"	1,791.22

Metered consumption: \$9.12 per 1000 gallons

Terms of Payment:

Net cash, becoming delinquent
21 days from date of billing

The above rate does not include the water tax of \$0.01 per 1,000 gallons pursuant to L. 1983, c. 443.

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RATE SCHEDULE NO. 3

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RATE SCHEDULE NO. 4

Fire Hydrant Service

Applicable to use of service for:

Fire Hydrants located within
"High Point Country Club Community"

Character of Service:

Continuous

Rate:

Per month: \$23.47 per hydrant

Terms of Payment:

Net cash, becoming delinquent
21 days from date of billing

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PHASE II RATE SHEETS

RATE SCHEDULE NO. 1

Residential Service

Applicable to use of service for: Residential Service

Character of Service: Continuous

Rate: Monthly charges

Base facilities charge:

<u>Meter Size</u>	<u>Rate</u>
5/8"	13.94
3/4"	13.94
1"	34.85
1.5"	69.70
2"	111.52
3"	209.10
4"	348.50
6"	697.00

Metered consumption:

\$10.66 per thousand gallons

Terms of Payment:

Net cash, becoming delinquent
21 days from date of billing

The above rate does not include the water tax of \$0.01 per 1,000 gallons pursuant to L. 1983, c. 443.

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RATE SCHEDULE NO. 2

Commercial Service

Applicable to use of service for: Water service to commercial customers.

Character of Service: Continuous

Rate: Monthly charges

Base facilities charge:

<u>Meter Size</u>	<u>Rate</u>
5/8"	41.82
3/4"	62.73
1"	104.55
1.5"	209.10
2"	334.56
3"	627.30
4"	1,045.50
6"	2,091.00

Metered consumption:

\$10.66 per 1000 gallons

Terms of Payment:

Net cash, becoming delinquent
21 days from date of billing

The above rate does not include the water tax of \$0.01 per 1,000 gallons pursuant to L. 1983, c. 443.

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MONTAGUE WATER COMPANY
B.P.U. No. 2 - Water

Third Revised Sheet No. 23
Replacing Second Revised Sheet No. 23

RATE SCHEDULE NO. 3

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MONTAGUE WATER COMPANY
B.P.U. No. 2 - Water

Fifth Revised Sheet No. 24
Replacing Fourth Revised Sheet No. 24

RATE SCHEDULE NO. 4

Fire Hydrant Service

Applicable to use of service for:

Fire Hydrants located within
"High Point Country Club Community"

Character of Service:

Continuous

Rate:

Per month:

\$27.45 per hydrant

Terms of Payment:

Net cash, becoming delinquent
21 days from date of billing

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MONTAGUE SEWER COMPANY

EXHIBIT D

Pro Forma Revenues at Present Rates

Fixed Service Charges

Water Meter Size	Number of Bills	Present Rate (\$/Month)	Total
5/8" Res	2,766	\$ 63.92	\$ 176,803
3/4" Res	197	\$ 63.92	\$ 12,592
5/8" Com	-	\$ -	\$ -
3/4" Com	-	\$ -	\$ -
1"	-	\$ -	\$ -
1.5"	-	\$ -	\$ -
2"	-	\$ -	\$ -
3"	7	\$ 3,196.25	\$ 22,374
4"	-	\$ -	\$ -
6"	-	\$ -	\$ -
TOTAL	2,970	\$ -	\$ 211,769

Pro Forma at Proposed Rates

Fixed Service Charges

Water Meter Size	Number of Bills	Proposed Rate (\$/Month)	Total	Percent Increase
5/8" Res	2,766	\$ 72.20	\$ 199,699	12.95%
3/4" Res	197	\$ 72.20	\$ 14,223	12.95%
5/8" Com	-	\$ 360.99	\$ -	-
3/4" Com	-	\$ 541.48	\$ -	-
1"	-	\$ 902.47	\$ -	-
1.5"	-	\$ 1,804.94	\$ -	-
2"	-	\$ 2,887.91	\$ 20,215	-9.65%
3"	7	\$ 5,414.82	\$ -	-
4"	-	\$ 9,024.71	\$ -	-
6"	-	\$ 18,049.41	\$ -	-
TOTAL	2,970	\$ -	\$ 234,137	10.56%
Target			\$ 234,165	10.58%
Residual			\$ (28)	

Notes:

(1) Proposed Residential rates vary by AWWA Meter Capacity Ratio with the exception of 3/4-inch water meters which are set at the same rate as a 5/8-inch water meter.

(2) Proposed Commercial fixed service charge for a 5/8-inch meter is 5x greater than the 5/8-inch rate for residential service. All other commercial rates vary by AWWA Meter Capacity Ratio using the 5/8-inch commercial rate as the base.

(3) The tariff rate for unmetered service is eliminated.

MONTAGUE WATER COMPANY

EXHIBIT E

Pro Forma Revenues at Present Rates				
Fixed Charges				
Meter Size	Number of Bills	Present Rate (\$/Month)	Total	
5/8" Res.	8,092	\$ 10.23	\$	82,781
3/4" Res.	454	\$ 10.23	\$	4,644
1" Res.	-	\$ -	\$	-
1.5" Res.	1	\$ 10.23	\$	10
2" Res.	-	\$ -	\$	-
3" Res.	-	\$ -	\$	-
4" Res.	-	\$ -	\$	-
6" Res.	-	\$ -	\$	-
5/8" Coml.	-	\$ -	\$	-
3/4" Coml.	-	\$ -	\$	-
1" Coml.	-	\$ -	\$	-
1.5" Coml.	-	\$ -	\$	-
2" Coml.	12	\$ 210.90	\$	2,531
3" Coml.	-	\$ 395.99	\$	-
4" Coml.	-	\$ -	\$	-
6" Coml.	-	\$ -	\$	-
Unmetered	-	\$ 41.73	\$	-
TOTAL	8,559		\$	89,967
Consumption Charges				
All Metered Consumption (Thousand Gallons)		Rate (\$/ThGal)		
23,983.56		\$ 7.81	\$	187,312
Fire Protection				
Hydrant	Number of Bills	Rate (\$/Month)		
Hydrant	372	20.11	\$	7,481
Total Operating Revenues			\$	284,759

Pro Forma at Proposed Rates				
Fixed Charges				
Meter Size	Number of Bills	Proposed Rate (\$/Month)	Total	Percent Increase
5/8" Res.	8,092	\$ 13.94	\$ 112,802	36.27%
3/4" Res.	454	\$ 13.94	\$ 6,329	36.27%
1" Res.	-	\$ 34.85	\$ -	
1.5" Res.	1	\$ 69.70	\$ 70	581.33%
2" Res.	-	\$ 111.52	\$ -	
3" Res.	-	\$ 209.10	\$ -	
4" Res.	-	\$ 348.50	\$ -	
6" Res.	-	\$ 697.00	\$ -	
5/8" Coml.	-	\$ 41.82	\$ -	
3/4" Coml.	-	\$ 62.73	\$ -	
1" Coml.	-	\$ 104.55	\$ -	
1.5" Coml.	-	\$ 209.10	\$ -	
2" Coml.	12	\$ 334.56	\$ 4,015	58.63%
3" Coml.	-	\$ 627.30	\$ -	58.41%
4" Coml.	-	\$ 1,045.50	\$ -	
6" Coml.	-	\$ 2,091.00	\$ -	
Unmetered	-	\$ -	\$ -	-100.00%
TOTAL	8,559		\$ 123,216	
Consumption Charges				
All Metered Consumption (Thousand Gallons)		Rate (\$/ThGal)		
23,983.56		\$ 10.66	\$ 255,674	36.50%
Fire Protection				
Hydrant	Number of Bills	Rate (\$/Month)		
Hydrant	372	\$ 27.45	\$ 10,211	36.50%
Total Operating Revenues			\$ 389,101	36.64%
Target			\$ 388,686	36.50%
Residual			\$ 414	
Notes:				
(1) Proposed Residential rates vary by AWWA Meter Capacity Ratio with the exception of 3/4-inch meters which are set at the same rate as a 5/8-inch meter				
(2) Proposed Commercial fixed service charge for a 5/8-inch meter is 3x greater than the 5/8-inch rate for residential service. All other commercial rates vary by AWWA Meter Capacity Ratio using the 5/8-inch commercial rate as the base.				
(3) The tariff rate for unmetered service is eliminated.				

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION)
OF MONTAGUE WATER AND SEWER)
COMPANIES FOR AN INCREASE IN RATES) PETITION
FOR WATER AND SEWER SERVICE)

Docket No. WR12110983

TO THE HONORABLE BOARD OF PUBLIC UTILITIES
OF THE STATE OF NEW JERSEY:

Montague Water Company ("Montague Water") and Montague Sewer Company ("Montague Sewer"), public utility corporations of the State of New Jersey, having an office in Montague Township at 266 Clove Road, Suite 204, Montague, New Jersey 07827 (hereinafter together "Petitioners"), by way of Petition to the New Jersey Board of Public Utilities ("Board") hereby seek permission to increase rates for water and sewer service effective December 7, 2012.

In support of this Petition, Montague Water and Montague Sewer show that:

1. Petitioners are regulated public utility corporations engaged in the production, treatment and distribution of water and collection and disposal of sewage in Montague Township, Sussex County, in the State of New Jersey. In the service territory the utilities serve approximately 724 water customers and 228 sewer customers all within Montague Township.

2. Montague Water Company proposes to revise its rates for metered service. The new rates are designed to increase revenues from water service by approximately \$185,455 or 65.5% above test-year revenues. Water rates were last increased on November 1, 2004, an increase authorized by Order of this Board in Docket No. WR03121034, dated August 19, 2004.