

potable or industrial water or emergent maintenance or temporary failure of a critical component of a System water user's infrastructure provided on a non-guaranteed or interruptible basis.

"Standby service" means the supply of Raritan Basin System water for certain occasional uses, such as fire protection or other emergencies, natural or otherwise.

"System water user" (also referred to as "contractual water customer," "purchaser" and/or "user") means a party under legal contract with the Authority for a supply of raw water from the Raritan Basin System.

"Uninterruptible service" means the supply of water from the Raritan Basin System which a System water user is authorized continuously to withdraw, without interruption, for potable or industrial water supply purposes pursuant to contract.

New Rule, R.1997 d.230, effective June 2, 1997 (operative July 1, 1997).  
 See: 28 N.J.R. 5130(a), 29 N.J.R. 2551(b).  
 Former section recodified to N.J.A.C. 7:11-2.3.  
 Amended by R.2001 d.208, effective June 18, 2001 (operative July 1, 2001).  
 See: 32 N.J.R. 4424(a), 33 N.J.R. 2098(a).  
 In "Production factor", inserted "as follows: production factor = safe yield at the confluence/yield at the point of diversion".  
 Amended by R.2002 d.177, effective June 3, 2002 (operative July 1, 2002).  
 See: 33 N.J.R. 4213(a), 34 N.J.R. 1902(b).  
 In "Daily allotment charge", amended the N.J.A.C. reference; rewrote "Production factor" and "Raritan Basin System".  
 Amended by R.2003 d.410, effective October 20, 2003.  
 See: 35 N.J.R. 2004(a), 35 N.J.R. 4876(a).  
 Deleted "Raritan Basin System".  
 Amended by R.2004 d.234, effective June 21, 2004 (operative July 1, 2004).  
 See: 35 N.J.R. 5472(a), 36 N.J.R. 3073(a).  
 Added "Annual overdraft rate", "Overdraft service"; "Overdraft service rate", "Peaking charge" and "Uninterruptible service"; rewrote "Short-term service".  
 Amended by R.2006 d.231, effective June 19, 2006 (operative July 1, 2006).  
 See: 37 N.J.R. 4719(a), 38 N.J.R. 2688(a).  
 In definition "Retroactive debt service payment", updated N.J.A.C. reference.

**7:11-2.3 General rate schedule for operations and maintenance**

(a) The general rate schedule for operations and maintenance per million gallons listed at (b) below is based on estimated annual operations and maintenance expenses consisting of all current costs, obligations and expenses of, or arising in connection with, the operation, maintenance and administration of the System, and minor additions or improvements thereof or thereto, or the performance of any water purchase contract, including, but not limited to, all of the following:

1. All routine repairs and ordinary replacements and reconstruction of the System; all wages, salaries and other personnel costs, including costs of pension, retirement, health and other employee benefit programs; all fuel, util-

ities, supplies and equipment; and all supervisory, engineering, accounting, auditing, legal and financial advisory services;

2. All taxes and payments in lieu of taxes;
3. All costs of insurance for the System, including any form of self insurance (or self insurance reserves) maintained by the Authority and payment of all claims not covered by the Authority's insurance;
4. All fees and expenses incurred in connection with any Credit Facility, Reserve Account Credit Facility, the issuance of any bonds or the issuance of any other indebtedness of the Authority, and all fees and expenses of counsel, fiduciaries and others in connection with any such Credit Facility, Reserve Account Credit Facility, bonds or other indebtedness of the Authority to the extent not required to be paid out of the proceeds of such bonds or other indebtedness;
5. All amounts required to be deposited into the Rebate Fund, at the time and in the manner set forth in any investment rebate instructions or otherwise in accordance with the Internal Revenue Code;
6. All amounts required to be paid into any reserve fund established for operation and maintenance expenses;
7. Allowance for depreciation with respect to equipment and property having a depreciable life of greater than three years but less than 10 years; and
8. Any other current costs, expenses or obligations required to be paid by the Authority under the provision of any agreement or instrument relating to bonds, other indebtedness of the Authority or by law. The current sales base of 179.978 million gallons per day has been used in setting the rate listed in (b) below.

(b) General rate schedule for operations and maintenance:

<u>Allocation</u>	<u>Rate/Million Gallons</u>
Million Gallons per Day (MGD)	\$138.71

Amended by R.1986 d.187, effective May 19, 1986 (operative July 1, 1986).  
 See: 18 N.J.R. 17(a), 18 N.J.R. 1100(a).  
 Sales base changed from \$150.916 to \$151.931 and million gallons rate changed from \$81.80 to \$94.64.  
 Amended by R.1988 d.265, effective June 6, 1988.  
 See: 20 N.J.R. 144(a), 20 N.J.R. 1286(a).  
 Sales base changed from "151.931" to "157.312".  
 Amended by R.1989 d.310, effective June 5, 1989 (operative July 1, 1989).  
 See: 21 N.J.R. 103(a), 21 N.J.R. 1527(a).  
 Operations and maintenance costs defined at new (a)1 through 8 and million gallon rate increased from \$94.64 to \$102.78 at (b).  
 Amended by R.1990 d.294, effective June 4, 1990 (operative July 1, 1990).  
 See: 21 N.J.R. 3836(a), 22 N.J.R. 1755(a).  
 Fiscal Year 1991 rate adjustments.  
 Amended by R.1991 d.270, effective May 20, 1991 (operative July 1, 1991).  
 See: 23 N.J.R. 3676(a), 23 N.J.R. 1662(c).  
 Deleted (b)1 and 2. Changed the General Rate Schedule from "\$96.45" to "\$109.21" per million gallons in (b).

Amended by R.1992 d.238, effective June 1, 1992 (operative July 1, 1992).  
 See: 23 N.J.R. 3686(d), 24 N.J.R. 2053(a).  
 Fiscal Year 1993 rate adjustments.  
 Amended by R.1993 d.240, effective June 7, 1993 (operative July 1, 1993).  
 See: 24 N.J.R. 4472(a), 25 N.J.R. 2267(b).  
 Fiscal Year 1994 rate adjustments.  
 Amended by R.1994 d.306, effective June 20, 1994 (operative July 1, 1994).  
 See: 25 N.J.R. 5742(a), 26 N.J.R. 2595(a).  
 Amended by R.1995 d.291, effective June 5, 1995.  
 See: 26 N.J.R. 4907(a), 27 N.J.R. 2205(a).  
 Fiscal Year 1996 rate adjustments.  
 Amended by R.1996 d.256, effective June 3, 1996 (operative July 1, 1996).  
 See: 27 N.J.R. 4954(a), 28 N.J.R. 2905(a).  
 In (a)8 decreased the sales base and in (b) decreased the rate.  
 Recodified from 7:11-2.2 and amended by R.1997 d.230, effective June 2, 1997 (operative July 1, 1997).  
 See: 28 N.J.R. 5130(a), 29 N.J.R. 2551(b).  
 In (a)8, substituted "150.242 million gallons" for "150.452 million gallons"; and in (b), changed the Rate/Million Gallons from "\$85.91" to "\$76.67". Former section recodified to N.J.A.C. 7:11-2.4.  
 Amended by R.1998 d.270, effective June 1, 1998 (operative July 1, 1998).  
 See: 29 N.J.R. 5151(a), 30 N.J.R. 1988(a).  
 In (a)8, changed 150.242 million gallons per day to 149.875 million gallons per day; and in (b), changed Rate/Million Gallons from \$76.67 to \$82.65.  
 Amended by R.1999 d.180, effective June 7, 1999 (operative July 1, 1999).  
 See: 30 N.J.R. 4309(a), 31 N.J.R. 1484(a).  
 In (b), decreased rate.  
 Amended by R.2000 d.238, effective June 5, 2000 (operative July 1, 2000).  
 See: 31 N.J.R. 4199(a), 32 N.J.R. 2077(a).  
 In (a)8, substituted a reference to 151.875 million gallons for 149.875 million gallons; rewrote (b).  
 Amended by R.2001 d.208, effective June 18, 2001 (operative July 1, 2001).  
 See: 32 N.J.R. 4424(a), 33 N.J.R. 2098(a).  
 In (b), increased rate.  
 Amended by R.2002 d.177, effective June 3, 2002 (operative July 1, 2002).  
 See: 33 N.J.R. 4213(a), 34 N.J.R. 1902(b).  
 In (a)8, substituted "151.914" for "151.875" preceding "million gallons per day"; in (b), increased the operations and maintenance rate.  
 Amended by R.2003 d.245, effective June 16, 2003 (operative July 1, 2003).  
 See: 35 N.J.R. 164(a), 35 N.J.R. 2650(a).  
 In (a)8, increased the current sales base; in (b), increased the operations and maintenance rate.  
 Amended by R.2004 d.234, effective June 21, 2004 (operative July 1, 2004).  
 See: 35 N.J.R. 5472(a), 36 N.J.R. 3073(a).  
 In (a)8, substituted "179.49" for "152.131"; in (b), increased the operations and maintenance rate.  
 Administrative correction.  
 See: 36 N.J.R. 5443(a).  
 Amended by R.2005 d.194, effective June 20, 2005 (operative July 1, 2005).  
 See: 36 N.J.R. 5615(a), 37 N.J.R. 2248(a).  
 In (a)8, substituted "179.404" for "179.219"; in (b), updated the operations and maintenance rate.  
 Amended by R.2006 d.231, effective June 19, 2006 (operative July 1, 2006).  
 See: 37 N.J.R. 4719(a), 38 N.J.R. 2688(a).  
 Substituted "179.932" for "179.409" in (a)8; and "\$133.13" for "\$111.80" in (b).  
 Amended by R.2007 d.192, effective June 18, 2007.  
 See: 38 N.J.R. 5222(a), 39 N.J.R. 2343(a).  
 In (a)8, substituted "179.978" for "179.932"; and in (b), substituted "\$138.71" for "\$133.13".

#### 7:11-2.4 Debt service assessments

(a) The debt service assessment rate per million gallons shall be based on the amounts and schedules of payments required under a loan agreement between the Authority and the Treasurer of the State of New Jersey to pay for the bond sold pursuant to the "Water Supply Bond Act of 1981," P.L. 1981, c.261 (the "1981 Water Supply Bonds") for the Delaware and Raritan Canal Sediment Removal Project. It also includes the debt service on the 1998 Water System Revenue Refunding Bonds issued by the Authority.

(b) (Reserved)

(c) The following debt service assessment rate for the 1998 Water System Revenue Refunding Bonds, based on a sales base of 179.920 million gallons per day will be applied to all customers:

Period	Allocation	Rate/Million Gallons
7/1/2007 to 6/30/2008	Million Gallons per Day (MGD)	\$41.29
7/1/2008 to 6/30/2009	Million Gallons per Day (MGD)	\$41.16
7/1/2009 to 6/30/2010	Million Gallons per Day (MGD)	\$41.10
7/1/2010 to 6/30/2011	Million Gallons per Day (MGD)	\$40.93

Amended by R.1985 d.402, effective August 5, 1985 (operative October 1, 1985).

See: 17 N.J.R. 11(a), 17 N.J.R. 1879(a).

Sales base for debt service assessment rate changed from "149,986" to "149,986"; (c) added.

Amended by R.1986 d.187, effective May 19, 1986 (operative July 1, 1986).

See: 18 N.J.R. 17(a), 18 N.J.R. 1100(a).

Substantially amended.

Amended by R.1988 d.265, effective June 6, 1988.

See: 20 N.J.R. 144(a), 20 N.J.R. 1286(a).

Substantially amended.

Amended by R.1989 d.310, effective June 5, 1989 (operative July 1, 1989).

See: 21 N.J.R. 103(a), 21 N.J.R. 1527(a).

1969 Water Conservation Bonds, rate assessment base dropped from 152.587 (MGD) to 151.768 (MGD) and rate per million gallons increased from \$13.83 to \$13.92; 1981 Water Supply Bond sales base dropped from 153.745 to 152.926 and rate per million gallons increased from \$33.15 to \$33.22; new (d) added Debt Service Assessment rate for 1988 Water System Revenue Bonds.

Amended by R.1990 d.294, effective June 4, 1990 (operative July 1, 1990).

See: 21 N.J.R. 3836(a), 22 N.J.R. 1755(a).

Fiscal Year 1991 rate adjustments.

Amended by R.1991 d.270, effective May 20, 1991 (operative July 1, 1991).

See: 23 N.J.R. 3676(a), 23 N.J.R. 1662(c).

Change in time period from "7/1/90" to "7/1/91" in (b)1. Change in sales base from "152.292" to "152.226"; change in time period from "7/1/90" to "7/1/91"; change in Rate/Million Gallon from "\$33.28" to "\$33.23" in (c). Change in sales base from "152.292" to "152.226"; change in time periods from "7/1/90" to "7/1/91" and "6/30/94" to "6/30/95"; change in Rate/Million Gallon from "\$44.97" to "\$44.99", "\$55.04" to "\$55.07" and "\$56.88" to "\$56.91" in (d).

Amended by R.1992 d.238, effective June 1, 1992 (operative July 1, 1992).

See: 23 N.J.R. 3686(d), 24 N.J.R. 2053(a).

Fiscal Year 1993 rate adjustment.  
Amended by R.1993 d.240, effective June 7, 1993 (operative July 1, 1993).

See: 24 N.J.R. 4472(a), 25 N.J.R. 2267(b).

Fiscal Year 1994 rate adjustments.  
Amended by R.1994 d.306, effective June 20, 1994 (operative July 1, 1994).

See: 25 N.J.R. 5742(a), 26 N.J.R. 2595(a).  
Amended by R.1995 d.291, effective June 5, 1995.

See: 26 N.J.R. 4907(a), 27 N.J.R. 2205(a).

Fiscal year 1996 rate adjustments.  
Amended by R.1996 d.256, effective June 3, 1996 (operative July 1, 1996).

See: 27 N.J.R. 4954(a), 28 N.J.R. 2905(a).

In (b) and (c) decreased the sales base and increased the rate, and in (d) increased the rate.

Recodified from 7:11-2.3 and amended by R.1997 d.230, effective June 2, 1997 (operative July 1, 1997).

See: 28 N.J.R. 5130(a), 29 N.J.R. 2551(b).

In (b), substituted "149.747 million gallons" for "149.957 million gallons"; in (b)1, in the table, changed the period beginning date from "7/1/96" to "7/1/97"; in (c) substituted "150.172 million gallons" for "150.382 million gallons", changed the period beginning date from "7/1/96" to "7/1/97", and changed the Rate/Million Gallons from "\$33.61" to "\$33.73"; and in (d), changed the periods from "7/1/96 to 6/30/97" and "7/1/97 to 6/30/99" to "7/1/97 to 6/30/98", and "7/1/98 to 6/30/99", changed the Rates/Million gallons from "\$57.57" and "\$57.39" to "\$57.47" and "\$57.49", and added rates for the periods "7/1/99 to 6/30/2000", and "7/1/2000 to 6/30/2001". Former section recodified to N.J.A.C. 7:11-2.5.

Amended by R.1998 d.270, effective June 1, 1998 (operative July 1, 1998).

See: 29 N.J.R. 5151(a), 30 N.J.R. 1988(a).

In (b), changed 149.747 million gallons per day to 149.380 million gallons per day in the introductory paragraph, changed Period beginning date from "7/1/97" to "7/1/98" and changed Rate/Million Gallons from \$14.07 to \$14.12 in 1; in (c), changed 150.172 million gallons per day to 149.805 million gallons per day, changed Period beginning date from "7/1/97" to "7/1/98" and changed Rate/Million Gallons from \$33.73 to \$27.78; and in (d), changed Period date ranges and Rate/Million Gallons.

Amended by R.1999 d.180, effective June 7, 1999 (operative July 1, 1999).

See: 30 N.J.R. 4309(a), 31 N.J.R. 1484(a).

In (b), changed period; in (c), changed period and increased rate; and in (d), changed periods and decreased rates.

Amended by R.2000 d.238, effective June 5, 2000 (operative July 1, 2000).

See: 31 N.J.R. 4199(a), 32 N.J.R. 2077(a).

In (b) and (c), changed period and decreased rate; in (d), changed periods and decreased rates.

Amended by R.2001 d.208, effective June 18, 2001 (operative July 1, 2001).

See: 32 N.J.R. 4424(a), 33 N.J.R. 2098(a).

In (b), changed period; in (c), changed period and decreased rate; in (d), deleted period, allocation and rate for 7/1/2000 to 6/30/2001 and added period, allocation and rate for 7/1/2004 to 6/30/2005.

Amended by R.2002 d.177, effective June 3, 2002 (operative July 1, 2002).

See: 33 N.J.R. 4213(a), 34 N.J.R. 1902(b).

Rewrote the section.

Amended by R.2003 d.245, effective June 16, 2003 (operative July 1, 2003).

See: 35 N.J.R. 164(a), 35 N.J.R. 2650(a).

Rewrote (b) and (c).

Amended by R.2004 d.234, effective June 21, 2004 (operative July 1, 2004).

See: 35 N.J.R. 4372(a), 36 N.J.R. 3073(a).

In (b) and (c), substituted "179.149" for "152.131" and amended the tables.

Amended by R.2005 d.194, effective June 20, 2005 (operative July 1, 2005).

See: 36 N.J.R. 5615(a), 37 N.J.R. 2248(a).

Rewrote (b) and (c).

Amended by R.2006 d.231, effective June 19, 2006 (operative July 1, 2006).

See: 37 N.J.R. 4719(a), 38 N.J.R. 2688(a).

In (b), substituted "179.874" for "179.334", "(a)" for "(b)" preceding "above", "2006" for "2005", "2007" for "2006" and "\$19.55" for "\$28.24"; and in (c), substituted "179.874" for "179.334" and updated table.

Amended by R.2007 d.192, effective June 18, 2007.

See: 38 N.J.R. 5222(a), 39 N.J.R. 2343(a).

Reserved (b); and rewrote (c).

## 7:11-2.5 Capital Fund Component

(a) The Capital Fund Component is to provide for current funding of major annual maintenance and repairs of the existing facilities at a total amount of \$1,500,000 to \$2,000,000 per year. The total annual amount funded by the Capital Fund Component may be adjusted periodically for inflation; however, all capital projects beyond this amount and any enhancements or additions to the System shall be financed through the issuance of long-term debt.

(b) The Capital Fund Component rate per million gallons listed at (c) below is based on estimated annual capital expenses to properly maintain, rehabilitate or replace the facilities.

### (c) Capital Fund Assessment

Period	Allocation	Rate/Million Gallons
7/1/2007 to	Million Gallons per Day	\$33.00
6/30/2008	(MGD)	

New Rule, R.1994 d.306, effective June 20, 1994 (operative July 1, 1994).

See: 25 N.J.R. 5742(a), 26 N.J.R. 2595(a).

Amended by R.1995 d.291, effective June 5, 1995.

See: 26 N.J.R. 4907(a), 27 N.J.R. 2205(a).

Fiscal year 1996 rate adjustments.

Recodified from 7:11-2.4 and amended by R.1997 d.230, effective June 2, 1997 (operative July 1, 1997).

See: 28 N.J.R. 5130(a), 29 N.J.R. 2551(b).

In (c), deleted the rate for the period "7/1/95 to 6/30/96", changed the period "7/1/96 to 6/30/98" to "7/1/97 to 6/30/98", and changed the Rate/Million Gallons from "\$20.00" to "\$29.22". Former section recodified to N.J.A.C. 7:11-2.6.

Amended by R.1998 d.270, effective June 1, 1998 (operative July 1, 1998).

See: 29 N.J.R. 5151(a), 30 N.J.R. 1988(a).

In (c), deleted "7/1/97 to 6/30/98" Period; and in "7/1/98" Period, changed Rate/Million Gallons from \$25.00 to \$28.98.

Amended by R.1999 d.180, effective June 7, 1999 (operative July 1, 1999).

See: 30 N.J.R. 4309(a), 31 N.J.R. 1484(a).

In (c), changed period and increased rate.

Amended by R.2000 d.238, effective June 5, 2000 (operative July 1, 2000).

See: 31 N.J.R. 4199(a), 32 N.J.R. 2077(a).

In (c), changed period and increased rate.

Amended by R.2001 d.208, effective June 18, 2001 (operative July 1, 2001).

See: 32 N.J.R. 4424(a), 33 N.J.R. 2098(a).

In (c), changed period and decreased rate.

Amended by R.2002 d.177, effective June 3, 2002 (operative July 1, 2002).

See: 33 N.J.R. 4213(a), 34 N.J.R. 1902(b).

In (c), amended period and increased rate.

Amended by R.2003 d.245, effective June 16, 2003 (operative July 1, 2003).

See: 35 N.J.R. 164(a), 35 N.J.R. 2650(a).

In (c), and amended period and decreased rate.

Amended by R.2004 d.234, effective June 21, 2004 (operative July 1, 2004).

See: 35 N.J.R. 5472(a), 36 N.J.R. 3073(a).

In (c), amended the period and increased the rate.

Amended by R.2005 d.194, effective June 20, 2005 (operative July 1, 2005).

See: 36 N.J.R. 5615(a), 37 N.J.R. 2248(a).

In (c), amended the period and increased the rate.

Amended by R.2006 d.231, effective June 19, 2006 (operative July 1, 2006).

See: 37 N.J.R. 4719(a), 38 N.J.R. 2688(a).

In (c), substituted "2006" for "2005", "2007" for "2006" and "\$21.00" for "\$20.45".

Amended by R.2007 d.192, effective June 18, 2007.

See: 38 N.J.R. 5222(a), 39 N.J.R. 2343(a).

In (c), substituted "2007" for "2006", "2008" for "2007" and "\$33.00" for "\$21.00".

### 7:11-2.6 Source Water Protection Fund Component

(a) The Source Water Protection Fund Component Rate per million gallons listed at (b) below is based on the annual source water protection expenses agreed upon by Authority customers to acquire and otherwise protect parcels critical to the preservation of system water quality and quantity.

#### (b) Source Water Protection Fund Assessment

Period	Allocation	Rate/Million Gallons
7/1/2007 to	Million Gallons per Day	\$15.00
6/30/2008	(MGD)	

New Rule, R.2002 d.177, effective June 3, 2002 (operative July 1, 2002).

See: 33 N.J.R. 4213(a), 34 N.J.R. 1902(b).

Former N.J.A.C. 7:11-2.6, Daily allotment charge, recodified to N.J.A.C. 7:11-2.7.

Amended by R.2003 d.245, effective June 16, 2003 (operative July 1, 2003).

See: 35 N.J.R. 164(a), 35 N.J.R. 2650(a).

In (b), amended period and increased rate.

Amended by R.2005 d.194, effective June 20, 2005 (operative July 1, 2005).

See: 36 N.J.R. 5615(a), 37 N.J.R. 2248(a).

In (b), amended the period and increased the rate.

Amended by R.2006 d.231, effective June 19, 2006 (operative July 1, 2006).

See: 37 N.J.R. 4719(a), 38 N.J.R. 2688(a).

In (b), substituted "2006" for "2005" and "2007" for "2006".

Amended by R.2007 d.192, effective June 18, 2007.

See: 38 N.J.R. 5222(a), 39 N.J.R. 2343(a).

In (b), substituted "2007" for "2006", "2008" for "2007" and "\$15.00" for "\$13.00".

### 7:11-2.7 Daily allotment charge

(a) Effective on the date of commencement of charges as specified in N.J.A.C. 7:11-2.15 the user shall pay a daily allotment charge amounting to 100 percent of the value of the quantity specified in the agreement for 24-hour withdrawal at the rates specified in this schedule, as it may be amended from time to time.

1. The total charge shall include the general rate schedule for operations and maintenance described in N.J.A.C. 7:11-2.3, the applicable Debt Service Assessment as described in N.J.A.C. 7:11-2.4, the Capital Fund Component as described in N.J.A.C. 7:11-2.5, and the Source Water Protection Fund Component as described in N.J.A.C. 7:11-2.6.

2. The Rate for water diverted, withdrawn or allocated from the Raritan River Basin as supported by Spruce Run/Round Valley Reservoirs water release shall be modified by the appropriate production factor as specified in N.J.A.C. 7:11-2.9.

Amended by R.1989 d.310, effective June 5, 1989 (operative July 1, 1989).

See: 21 N.J.R. 103(a), 21 N.J.R. 1527(a).

Deleted reference to rates "prevailing in the agreement ..." and referenced the Schedule, added "for Operations and Maintenance" after General Rate Schedule.

Recodified from 7:11-2.4 and amended by R.1994 d.306, effective June 20, 1994 (operative July 1, 1994).

See: 25 N.J.R. 5742(a), 26 N.J.R. 2595(a).

Recodified from 7:11-2.5 and amended by R.1997 d.230, effective June 2, 1997 (operative July 1, 1997).

See: 28 N.J.R. 5130(a), 29 N.J.R. 2551(b).

Changed N.J.A.C. references throughout the section. Former section recodified to N.J.A.C. 7:11-2.7.

Recodified from N.J.A.C. 7:11-2.6 and amended by R.2002 d.177, effective June 3, 2002 (operative July 1, 2002).

See: 33 N.J.R. 4213(a), 34 N.J.R. 1902(b).

In (a), amended the N.J.A.C. reference in the introductory paragraph, deleted "and" preceding "the Capital Fund Component" and inserted "and the Source Water Protection Fund Component as described in N.J.A.C. 7:11-2.6" following "N.J.A.C. 7:11-2.5" in 1, and substituted "The Rate for water" for "Water" and amended the N.J.A.C. reference in 2. Former N.J.A.C. 7:11-2.7, Equivalent sustained supply: Spruce Run/Round Valley Reservoirs System, recodified to N.J.A.C. 7:11-2.8.

### 7:11-2.8 Equivalent sustained supply: Raritan Basin System

(a) In operating the Raritan Basin System to augment natural stream flow during a period of low runoff, optimum dependable supply is attained at the confluence of the Millstone River where the combined flow from the tributaries to the Raritan River above that point becomes effective.

(b) Each application for the diversion, withdrawal or allocation of water from the Raritan Basin System with the exception of applications for diversions from the Delaware and Raritan Canal is, therefore, to be evaluated, and differentiation in rates, charges and assessments shall be made on the basis of quantities of water to be supplied, distance between the facility and point of diversion, the cost in making such water available, the place where the water is to be used, and the character of such use.

Amended by R.1985 d.402, effective August 5, 1985 (operative October 1, 1985).

See: 17 N.J.R. 11(a), 17 N.J.R. 1879(a).

"differentiation" substituted for "differentiation".

Amended by R.1989 d.310, effective June 5, 1989 (operative July 1, 1989).

See: 21 N.J.R. 103(a), 21 N.J.R. 1527(a).

Reorganized text into subsections (a) and (b).

Recodified from 7:11-2.5 by R.1994 d.306, effective June 20, 1994 (operative July 1, 1994).  
 See: 25 N.J.R. 5742(a), 26 N.J.R. 2595(a).  
 Recodified from 7:11-2.6 by R.1997 d.230, effective June 2, 1997 (operative July 1, 1997).  
 See: 28 N.J.R. 5130(a), 29 N.J.R. 2551(b).  
 Former section recodified to N.J.A.C. 7:11-2.8.  
 Recodified from N.J.A.C. 7:11-2.7 by R.2002 d.177, effective June 3, 2002 (operative July 1, 2002).  
 See: 33 N.J.R. 4213(a), 34 N.J.R. 1902(b).  
 Former N.J.A.C. 7:11-2.8, Production factor, recodified to N.J.A.C. 7:11-2.9.  
 Amended by R.2003 d.410, effective October 20, 2003.  
 See: 35 N.J.R. 2004(a), 35 N.J.R. 4876(a).  
 In (b), inserted "System with the exception of applications for diversions from the Delaware and Raritan Canal" following "Raritan Basin".

### 7:11-2.9 Production factor

(a) For any depletive diversion at any location above the confluence of the Millstone and Raritan Rivers, the inverse ratio between the allocation and its equivalent in sustained supply at the confluence is expressed as the Production Factor for that allocation as follows: Production Factor = Safe yield at the confluence/yield at the point of diversion.

(b) For any depletive diversion at or below the confluence of the Raritan and Millstone Rivers, the Production Factor shall be considered to be unity (1.0).

(c) The total daily allotment charge set forth in N.J.A.C. 7:11-2.7 shall be multiplied by the production factor for a given allocation.

Recodified from 7:11-2.6 by R.1994 d.306, effective June 20, 1994 (operative July 1, 1994).  
 See: 25 N.J.R. 5742(a), 26 N.J.R. 2595(a).  
 Recodified from 7:11-2.7 and amended by R.1997 d.230, effective June 2, 1997 (operative July 1, 1997).  
 See: 28 N.J.R. 5130(a), 29 N.J.R. 2551(b).  
 In (c), changed N.J.A.C. reference. Former section recodified to N.J.A.C. 7:11-2.9.  
 Amended by R.2001 d.208, effective June 18, 2001 (operative July 1, 2001).  
 See: 32 N.J.R. 4424(a), 33 N.J.R. 2098(a).  
 In (a), added "as follows: Production Factor = Safe yield at the confluence/yield at the point of diversion."  
 Recodified from N.J.A.C. 7:11-2.8 and amended by R.2002 d.177, effective June 3, 2002 (operative July 1, 2002).  
 See: 33 N.J.R. 4213(a), 34 N.J.R. 1902(b).  
 In (a), substituted "the" for "any upstream" following "the inverse ratio between"; in (c), amended the N.J.A.C. reference. Former N.J.A.C. 7:11-2.9, Annual Demand Charge, recodified to N.J.A.C. 7:11-2.10.

### 7:11-2.10 Annual Demand Charge

The Annual Demand Charge for a given allocation shall be computed by multiplying the daily allotment charge by 365. Payment shall be made in equal monthly statements as billed.

Recodified from 7:11-2.7 by R.1994 d.306, effective June 20, 1994 (operative July 1, 1994).  
 See: 25 N.J.R. 5742(a), 26 N.J.R. 2595(a).  
 Recodified from 7:11-2.8 by R.1997 d.230, effective June 2, 1997 (operative July 1, 1997).  
 See: 28 N.J.R. 5130(a), 29 N.J.R. 2551(b).  
 Former section recodified to N.J.A.C. 7:11-2.10.

Recodified from N.J.A.C. 7:11-2.9 by R.2002 d.177, effective June 3, 2002 (operative July 1, 2002).  
 See: 33 N.J.R. 4213(a), 34 N.J.R. 1902(b).  
 Former N.J.A.C. 7:11-2.10, Standby service, recodified to N.J.A.C. 7:11-2.11.

### 7:11-2.11 Standby service

(a) "Standby service" means the supply of water from the System, to the extent from time to time available, in excess of aggregate uninterruptible service, for certain occasional uses, such as fire protection or other emergencies, natural or otherwise, which a System water user is authorized to withdraw pursuant to a contract. Such user shall pay a monthly standby charge instead of a demand charge, but shall in all other respects comply with the rules for the use of water from the Raritan Basin System.

(b) The New Jersey Water Supply Authority reserves the right to revoke such standby service classification at any time on 30 days written notice to the user.

(c) Such revocation shall not prejudice the right of the user to submit an application for normal water use either prior to or following the effective date of revocation.

Amended by R.1985 d.402, effective August 5, 1985 (operative October 1, 1985).  
 See: 17 N.J.R. 11(a), 17 N.J.R. 1879(a).  
 "days" substituted for "days".  
 Amended by R.1989 d.310, effective June 5, 1989 (operative July 1, 1989).  
 See: 21 N.J.R. 103(a), 21 N.J.R. 1527(a).  
 "Standby service" more fully defined at (a).  
 Recodified from 7:11-2.8 by R.1994 d.306, effective June 20, 1994 (operative July 1, 1994).  
 See: 25 N.J.R. 5742(a), 26 N.J.R. 2595(a).  
 Recodified from 7:11-2.9 by R.1997 d.230, effective June 2, 1997 (operative July 1, 1997).  
 See: 28 N.J.R. 5130(a), 29 N.J.R. 2551(b).  
 Former section recodified to N.J.A.C. 7:11-2.11.  
 Recodified from N.J.A.C. 7:11-2.10 by R.2002 d.177, effective June 3, 2002 (operative July 1, 2002).  
 See: 33 N.J.R. 4213(a), 34 N.J.R. 1902(b).  
 Former N.J.A.C. 7:11-2.11, Standby charge, recodified to N.J.A.C. 7:11-2.12.  
 Amended by R.2003 d.410, effective October 20, 2003.  
 See: 35 N.J.R. 2004(a), 35 N.J.R. 4876(a).

### 7:11-2.12 Standby charge

(a) A user classified under standby service, as provided in N.J.A.C. 7:11-2.11, shall pay a monthly minimum charge based on the capacity of the user's withdrawal system as specified below. Said purchaser shall also pay for all water withdrawn during the month in excess of such monthly standby charge, based on charges as set forth under N.J.A.C. 7:11-2.3, 2.4, 2.5 and 2.6.

Note: MGD = million gallons daily; GPM = gallons per minute.

1. For Delaware and Raritan Canal Standby Contracts within the Delaware River Basin:

Maximum withdrawal capacity  
Each 1 MGD (700 GPM) or  
fraction thereof

Charge per month  
\$138.71 plus annual Debt  
Service Assessments Rate for  
1998 Water System Revenue  
Refunding Bonds, Capital Fund  
Component, and Source Water  
Protection Fund Component.

2. For Standby Contracts within the Raritan River  
Basin:

Maximum withdrawal capacity  
Each 1 MGD (700 GPM) or  
fraction thereof

Charge per month  
\$138.71 plus annual debt  
service assessments rate for  
1998 Water System Revenue  
Refunding Bonds, Capital Fund  
Component, and Source Water  
Protection Fund Component.

Amended by R.1985 d.402, effective August 5, 1985 (operative October 1, 1985).

See: 17 N.J.R. 11(a), 17 N.J.R. 1879(a).

Deleted "debt service rate when assessed".

Amended by R.1986 d.187, effective May 19, 1986 (operative July 1, 1986).

See: 18 N.J.R. 17(a), 18 N.J.R. 1100(a).

Charges raised from \$81.80 to \$94.64 per month.

Amended by R.1988 d.265, effective June 6, 1988.

See: 20 N.J.R. 144(a), 20 N.J.R. 1286(a).

Added FY89 Debt Rate Stabilization Fund.

Amended by R.1989 d.310, effective June 5, 1989 (operative July 1, 1989).

See: 21 N.J.R. 103(a), 21 N.J.R. 1527(a).

References made to 1981 Water Supply Bonds, 1988 Water System Revenue Bonds and 1969 Water Conservation Bonds; rate change from \$94.64 to \$102.78.

Amended by R.1990 d.294, effective June 4, 1990 (operative July 1, 1990).

See: 21 N.J.R. 3836(a), 22 N.J.R. 1755(a).

Fiscal Year 1991 rate adjustments.

Amended by R.1991 d.270, effective May 20, 1991 (operative July 1, 1991).

See: 23 N.J.R. 3676(a), 23 N.J.R. 1662(c).

Deleted (a)1i and ii; changed Charge per month from "96.45" to "109.21".

Deleted (a)2i and ii; changed Charge per month from "96.45" to "109.21".

Amended by R.1992 d.238, effective June 1, 1992 (operative July 1, 1992).

See: 23 N.J.R. 3686(d), 24 N.J.R. 2053(a).

Fiscal Year 1993 rate adjustment.

Administrative Correction to (a)2.

See: 24 N.J.R. 4518(a).

Amended by R.1993 d.240, effective June 7, 1993 (operative July 1, 1993).

See: 24 N.J.R. 4472(a), 25 N.J.R. 2267(b).

Fiscal Year 1994 rate adjustment.

Recodified from 7:11-2.9 and amended by R.1994 d.306, effective June 20, 1994 (operative July 1, 1994).

See: 25 N.J.R. 5742(a), 26 N.J.R. 2595(a).

Amended by R.1995 d.291, effective June 5, 1995.

See: 26 N.J.R. 4907(a), 27 N.J.R. 2205(a).

Fiscal year 1996 rate adjustments.

Amended by R.1996 d.256, effective June 3, 1996 (operative July 1, 1996).

See: 27 N.J.R. 4954(a), 28 N.J.R. 2905(a).

In (a)1 and 2 decreased the charge per month.

Recodified from 7:11-2.10 and amended by R.1997 d.230, effective June 2, 1997 (operative July 1, 1997).

See: 28 N.J.R. 5130(a), 29 N.J.R. 2551(b).

In (a), changed N.J.A.C. references; and in (a)1 and (a)2, changed the "Charge per month" from "\$85.91" to "\$76.67". Former section recodified to N.J.A.C. 7:11-2.12.

Amended by R.1998 d.270, effective June 1, 1998 (operative July 1, 1998).

See: 29 N.J.R. 5151(a), 30 N.J.R. 1988(a).

In (a)1 and 2, changed Charge per month from \$76.67 to \$82.65.

Amended by R.1999 d.180, effective June 7, 1999 (operative July 1, 1999).

See: 30 N.J.R. 4309(a), 31 N.J.R. 1484(a).

In (a), decreased rates, and substituted references to 1998 Water System Revenue Refunding Bonds for references to 1988 Water System Revenue Bonds.

Amended by R.2000 d.238, effective June 5, 2000 (operative July 1, 2000).

See: 31 N.J.R. 4199(a), 32 N.J.R. 2077(a).

In (a)1 and (a)2, increased rates.

Amended by R.2001 d.208, effective June 18, 2001 (operative July 1, 2001).

See: 32 N.J.R. 4424(a), 33 N.J.R. 2098(a).

Increased charge per month throughout section.

Recodified from N.J.A.C. 7:11-2.11 and amended by R.2002 d.177, effective June 3, 2002 (operative July 1, 2002).

See: 33 N.J.R. 4213(a), 34 N.J.R. 1902(b).

In (a), substituted "2.4, 2.5 and 2.6" for "2.4 and 2.5" in the introductory paragraph, and increased the charge per month and inserted ", and Source Water Protection Fund Component" following "Capital Fund Component" in 1 and 2. Former N.J.A.C. 7:11-2.12, Rate adjustment, recodified to N.J.A.C. 7:11-2.13.

Amended by R.2003 d.245, effective June 16, 2003 (operative July 1, 2003).

See: 35 N.J.R. 164(a), 35 N.J.R. 2650(a).

Rewrote the section.

Amended by R.2004 d.234, effective June 21, 2004 (operative July 1, 2004).

See: 35 N.J.R. 5472(a), 36 N.J.R. 3073(a).

In (a)1 and (a)2, increased the monthly standby charge.

Amended by R.2005 d.194, effective June 20, 2005.

See: 36 N.J.R. 5615(a), 37 N.J.R. 2248(a).

In (a)1 and (a)2, changed the monthly standby charge.

Amended by R.2006 d.231, effective June 19, 2006 (operative July 1, 2006).

See: 37 N.J.R. 4719(a), 38 N.J.R. 2688(a).

Substituted "\$133.13" for "\$111.80" in (a)1 and (a)2.

Amended by R.2007 d.192, effective June 18, 2007.

See: 38 N.J.R. 5222(a), 39 N.J.R. 2343(a).

In (a)1 and (a)2, substituted "\$138.71" for "\$133.13" and deleted "1981 Water Supply Bonds," preceding "1998".

Administrative correction.

See: 39 N.J.R. 5316(a).

### 7:11-2.13 Rate adjustment

(a) The New Jersey Water Supply Authority reserves the right to review and revise the Schedule from time to time by the establishment of a new Schedule promulgated pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and any rules promulgated thereto.

1. A purchaser shall be notified of such changes not less than six months in advance of the effective date of such revision pursuant to N.J.A.C. 7:11-2.14.

2. Adjustments made under this section shall be subject to public hearing and all other requirements of N.J.A.C. 7:11-2.14.

3. Any contract for the sale of water shall be subject to any adjustment resulting from this review.

(b) The New Jersey Water Supply Authority reserves the right to review the sales bases from time to time to make

adjustments, if necessary, in the Schedule. Any such adjustments shall be promulgated pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and any rules promulgated thereto.

1. If any adjustment is required, at least six months notice in advance of the effective date of such revision shall be provided to all purchasers pursuant to N.J.A.C. 7:11-2.14.

2. Adjustments made under this section shall be subject to public hearing and all other requirements of N.J.A.C. 7:11-2.14.

3. Any contract for the sale of water shall be subject to any adjustment resulting from this review.

(c) Contracts for new or additional water sales after July 1, 1983 shall contain provisions requiring the retroactive payment of a full proportionate share of the total annual Debt Service Assessment payments made by the New Jersey Water Supply Authority to the State Treasurer for the 1981 Bonds during the period from July 1, 1983 to the effective date of any new contract.

1. The new contract shall require that the total retroactive amount is to be paid in equal monthly

increments over at least a 10-year period, or until the scheduled date by which the Authority will have completed payments to the State Treasurer with respect to the 1981 Water Supply Bonds, whichever is longer.

2. For each year after the date of a new contract, the New Jersey Water Supply Authority will credit preexisting users with a proportionate share of the annual retroactive amount paid by any new user.

(d) Contracts for new or additional water sales after July 1, 1989 shall also contain provisions requiring the retroactive payment of a full proportionate share of the total annual Debt Service Assessment payments made by the New Jersey Water Supply Authority to its bond holders for the 1988 Revenue Bonds and 1998 Revenue Refunding Bonds during the period from July 1, 1989 to the effective date of any new contract.

1. The new contract shall require that the total retroactive amount is to be paid in equal monthly increments over at least a 10-year period, or until the scheduled date by which the Authority will have completed payments to its bond holders with respect to the 1988 Water System Revenue Bonds and the 1998 Water System Revenue Refunding Bonds, whichever is longer.

(c) The rates, charges and debt service costs established in this subchapter provide revenue to cover the annual requirements of the Manasquan Reservoir System. These annual requirements consist of the aggregate amount required during each annual payment period to pay all operation and maintenance expenses, debt service costs and special or reserve fund requirements of the Manasquan Reservoir System.

(d) The total rate charged under this rate schedule shall include the operations and maintenance expense component under N.J.A.C. 7:11-4.3, the debt service costs under N.J.A.C. 7:11-4.4, and the Source Water Protection Fund component under N.J.A.C. 7:11-4.5.

(e) This rate schedule complements N.J.A.C. 7:11-5 which establishes rules for the use of water from the Manasquan Reservoir System.

Amended by R.2003 d.246, effective June 16, 2003 (operative July 1, 2003).

See: 35 N.J.R. 167(a), 35 N.J.R. 2653(a).

In (d), added N.J.A.C. reference.

#### 7:11-4.2 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise.

“Annual overdraft rate” means the rate for annual overdraft service.

“Annual overdraft service” means the average daily supply of water from the Manasquan Reservoir System diverted during any calendar year, to the extent and from time to time available, in excess of aggregate uninterruptible service, for certain seasonal, non-emergent, interim, interruptible, non-guaranteed uses.

“Authority” means the New Jersey Water Supply Authority established pursuant to N.J.S.A. 58:1B-1 et seq.

“Daily overdraft rate” means the rate for daily overdraft service.

“Daily overdraft service” means the daily supply of water from the Manasquan Reservoir System to the extent available, in excess of aggregate uninterruptible service or diversions established in an optional water use schedule for certain, seasonal, non-emergent, interim, interruptible, non-guaranteed uses.

“Delayed water purchase contract” means a water purchase contract entered into for uninterruptible service, commencing subsequent to the initial operation date of the Manasquan Reservoir System.

“Delayed water purchase surcharge” means any amount by which the debt service cost component of payments to be made under any delayed water purchase contract for uninterruptible service exceeds the debt service cost component payable by initial water purchasers.

“Force Majeure” means acts of God, strikes, lockouts or other industrial disturbances, orders of the Government of the United States or the State or any agency or instrumentality thereof or of any civil or military authority, acts of terrorism, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, explosions, breakage or accidents to machinery, pipelines, dams or canals, partial or entire failure of water supply, arrests, civil disturbances, acts of any public enemy, and any other causes not reasonably within the control of the party claiming inability to timely comply with its obligations.

“Initial water purchase contract” means a water purchase contract providing for uninterruptible service commencing on the initial operation date of the Manasquan Reservoir System.

“Manasquan Reservoir Intake Facility” means the location on the Manasquan River at Hospital Road in the Township of Wall, County of Monmouth, where water is diverted by the Authority from the Manasquan River to supply purchasers or for pumping to the Manasquan Reservoir System for storage.

“Manasquan Reservoir System” means the water supply system constructed by the Authority in Monmouth County, the major components of which are a 770-acre, four-billion gallon reservoir facility in Howell Township, a raw water intake facility and pump station located adjacent to the Manasquan River in Wall Township, and an approximate 5.25-mile transmission pipeline connecting the reservoir and the intake facility, together with all component plants, structures and other real or personal property, and additions and improvements thereto.

“Optional water use schedule” means a schedule submitted by a purchaser and approved by the Authority, when the total diversions of all Authority uninterruptible service contracts are equal to or less than 25 mgd, setting forth a purchaser’s anticipated Manasquan Reservoir system diversions during a calendar year wherein purchaser may schedule 120 percent of its total contractual monthly uninterruptible service determined by the product of purchaser’s contractual daily uninterruptible service in mgd times the number of days in the calendar month, provided no less than 80 percent of the total amount is to be diverted in any month during the calendar year, the total diversions in any 24-hour period when this option is exercised do not exceed 120 percent of purchaser’s daily uninterruptible supply, and the total amount of water diverted in any calendar year does not exceed the product of the uninterruptible contract amount in mgd times the number of days in the calendar year. The schedule shall contain other provisions as required by the Authority to ensure the responsible and equitable management of the Manasquan Reservoir System supplies.

“Point of delivery” means the location where the Manasquan Reservoir System’s delivery equipment interconnects with the purchaser’s interconnection system.

“Purchaser” means the party who contracts with the Authority to purchase water from the Manasquan Reservoir System.

“Purchaser interconnection system” means the buildings, structures, piping, valves, meters and other control apparatus and equipment, located on properties or facilities owned by the Authority, installed by or on behalf of, and owned by, the purchaser to connect purchasers’ water supply system with the Manasquan Reservoir System.

“Short-term service” means the supply of Manasquan Reservoir System water for certain interim interruptible, non-guaranteed or short-term uses, such as growing agricultural or horticultural products, meeting extraordinary requirements in consumer demand for potable or industrial water as a result of transfers arising from a declaration of drought by the Department or Monmouth County, meeting non-seasonal extraordinary requirements in consumer demand for potable or industrial water or emergent maintenance or temporary failure of a critical component of a system water user’s infrastructure provided on a non-guaranteed or interruptible basis.

“Standby service” means the supply of Manasquan Reservoir System water for certain occasional uses, such as fire protection or other emergencies, natural or otherwise.

“Uninterruptible service” means the supply of Manasquan Reservoir System water which the purchaser is authorized to continuously withdraw without interruption, for public water supply purposes.

Amended by R.2005 d.195, effective June 20, 2005 (operative July 1, 2005).

See: 36 N.J.R. 5617(a), 37 N.J.R. 2250(a).

Added “Annual overdraft rate”, “Annual overdraft service”, “Daily overdraft rate”, “Optional water use schedule”, and rewrote “Short-term service”.

Amended by R.2007 d.193, effective June 18, 2007.

See: 38 N.J.R. 5224(a), 39 N.J.R. 2344(a).

In definition “Daily overdraft service”, inserted “aggregate uninterruptible service or”; in definition “Manasquan Reservoir System”, substituted “770-acre” for “740 acre” and “an approximate 5.25-mile” for “a five mile”; and rewrote definition “Optional water use schedule”.

### 7:11-4.3 Operations and maintenance expense component

(a) The operations and maintenance expense component per million gallons set forth in (c) below is based on estimated annual operations and maintenance expenses consisting of all current costs, obligations and expenses of, or arising in connection with, the operation, maintenance and administration of the Manasquan Reservoir System, and minor additions or improvements thereof or thereto.

(b) The operation and maintenance expense component of all rates is based upon the point of delivery being located at the Authority’s Manasquan River intake facility, and any purchaser taking delivery of Manasquan Reservoir System water at a different point of delivery will be assessed an additional charge to cover additional operation and maintenance

expense associated with establishment of and making delivery at such point of delivery. Such charges may include, but are not limited to, in the case of any purchaser establishing a point of delivery on the transmission line between the Manasquan River intake facility and the reservoir, an additional charge to cover the cost of pumping water to the reservoir to replace water delivered from the reservoir to such purchaser.

#### (c) Operations and maintenance expense component:

<u>Effective Date</u>	<u>Rate/Million Gallons (based upon a 20.560 mg per day sales base)</u>
July 1, 2007	\$302.52
Amended by R.1991 d.271, effective May 20, 1991 (operative July 1, 1991).	
See: 23 N.J.R. 3678(a), 23 N.J.R. 1664(a).	
Added “Effective Date” and “Rate/Million Gallons”; changed “July 1, 1990” to “July 1, 1991”; changed “(based upon a 14.905 mg per day sales base) \$345.09” to “(based upon a 16.097 mg per day sales base) \$314.75” in (c).	
Amended by R.1992 d.237, effective June 1, 1992 (operative July 1, 1992).	
See: 23 N.J.R. 3688(a), 24 N.J.R. 2056(a).	
Fiscal Year 1993 rate adjustment.	
Amended by R.1993 d.241, effective June 7, 1993.	
See: 24 N.J.R. 4474(a), 25 N.J.R. 2269(a).	
Fiscal Year 1994 rate adjustment.	
Administrative Correction.	
See: 25 N.J.R. 5956(a).	
Amended by R.1994 d.307, effective June 20, 1994 (operative July 1, 1994).	
See: 25 N.J.R. 5744(a), 26 N.J.R. 2598(a).	
Amended by R.1995 d.292, effective June 5, 1995.	
See: 26 N.J.R. 4910(a), 27 N.J.R. 2207(a).	
Fiscal Year 1996 rate adjustments.	
Amended by R.1996 d.257, effective June 3, 1996 (operative July 1, 1996).	
See: 27 N.J.R. 4955(a), 28 N.J.R. 2906(a).	
In (c) decreased the rate.	
Amended by R.1997 d.229, effective June 2, 1997 (operative July 1, 1997).	
See: 28 N.J.R. 5133(a), 29 N.J.R. 2553(a).	
In (c), changed “July 1, 1996” to “July 1, 1997”, and “\$316.58” to “\$284.09”.	
Amended by R.1998 d.271, effective June 1, 1998 (operative July 1, 1998).	
See: 29 N.J.R. 5153(a), 30 N.J.R. 1989(a).	
In (c), changed effective date from 1997 to 1998 and the Rate/Million Gallons from \$284.09 to \$263.56.	
Administrative correction.	
See: 30 N.J.R. 2476(a).	
Amended by R.1999 d.181, effective June 7, 1999 (operative July 1, 1999).	
See: 30 N.J.R. 4311(a), 31 N.J.R. 1485(a).	
In (c), changed effective date and decreased rate.	
Amended by R.2000 d.239, effective June 5, 2000 (operative July 1, 2000).	
See: 31 N.J.R. 4201(a), 32 N.J.R. 2078(a).	
In (c), changed effective date and increased rate.	
Amended by R.2001 d.209, effective June 18, 2001 (operative July 1, 2001).	
See: 32 N.J.R. 4426(a), 33 N.J.R. 2099(a).	
In (c), changed effective date and increased Rate/Million Gallons.	
Amended by R.2002 d.178, effective June 3, 2002.	
See: 33 N.J.R. 4217(a), 34 N.J.R. 1905(a) (operative July 1, 2002).	
Rewrote (c).	
Amended by R.2003 d.246, effective June 16, 2003 (operative July 1, 2003).	

See: 35 N.J.R. 167(a), 35 N.J.R. 2653(a).  
 Rewrote (c).  
 Amended by R.2004 d.235, effective June 21, 2004 (operative July 1, 2004).  
 See: 35 N.J.R. 5475(a), 36 N.J.R. 3075(a).  
 In (c), amended the effective date and increased the rate.  
 Amended by R.2005 d.195, effective January 20, 2005 (operative July 1, 2005).  
 See: 36 N.J.R. 5617(a), 37 N.J.R. 2250(a).  
 In (c), amended the effective date and changed the rate.  
 Amended by R.2006 d.232, effective June 19, 2006 (operative July 1, 2006).  
 See: 37 N.J.R. 4721(a), 38 N.J.R. 2690(a).  
 Substituted "2006" for "2005" in (c).  
 Amended by R.2007 d.193, effective June 18, 2007.  
 See: 38 N.J.R. 5224(a), 39 N.J.R. 2344(a).  
 In (c), substituted "2007" for "2006", "20.560" for "19.032" and "\$302.52" for "\$295.41".

**7:11-4.4 Debt service cost component**

(a) The debt service costs component is based upon the amount to be included for debt service costs with respect to each annual payment period or portion thereof, and will be that amount accruing in the bond year (starting on August 1 of each calendar year and ending on the next following July 31) or corresponding portion thereof, commencing during the fiscal year (starting on July 1 of each calendar year and ending on the next following June 30) within which such annual payment period or portion thereof falls. The debt service costs include the aggregate amounts payable during the specified period for:

1. Interest accruing during such period on the bonds, but not including any interest accruing on the State loan bonds which is to be deferred and added to principal, until payment in respect of such deferred interest is to commence;
2. That portion of each required principal payment or mandatory redemption or sinking fund payment on the Authority bonds (together, "principal installment") which would accrue during such period;
3. Such additional amounts as are required to provide a debt service coverage in accordance with the following schedule:

Twelve Month Period <u>Beginning on</u>	Coverage Percent of <u>Gross Debt Service</u>
2/1/91-1/31/92	105 percent
2/1/92-1/31/93	110 percent
2/1/93-1/31/94	115 percent
2/1/94-1/31/95 and thereafter	120 percent

4. Any amounts payable into any debt service reserve fund established for any authority bonds.

(b) The following Debt Service rates based on a sales base of 16.125 million gallons per day, apply to all initial water purchase contract customers, and all delayed water purchase contract customers, who fully satisfied their contractual delayed water purchase surcharge obligations at the commencement of their contract terms.

<u>Period</u>	Rate/Million Gallons <u>(Coverage 120 percent)</u>
7/1/2007 to 6/30/2008	\$528.54

(c) A delayed water purchase surcharge will be assessed to all water purchasers who entered into a water purchase contract for an uninterruptible service commencing subsequent to the system operation date (delayed water purchase contract). This includes a purchaser under an initial water purchase contract, which provides for an increase in the amount of uninterruptible service effective subsequent to the system operation date.

1. The following debt service rate based on a sales base of 4.435 million gallons per day, applies to the delayed water purchase contracts commencing July 1, 2001, October 1, 2002, and January 1, 2005 in lieu of the debt service rate set forth in (b) above.

<u>Period</u>	Rate/Million Gallons <u>(Coverage 120 percent)</u>
7/1/2007 to 6/30/2008	\$764.44

(d) In place of the imposition upon any delayed water purchaser of delayed water purchaser surcharges with respect to any one or more items, a delayed water purchaser may, at the time of entry into a delayed water purchase contract, make a single lump sum payment in respect of such items in a manner to be agreed upon between the Authority and the delayed water purchaser.

Amended by R.1991 d.271, effective May 20, 1991 (operative July 1, 1991).  
 See: 23 N.J.R. 3678(a), 23 N.J.R. 1664(a).  
 Substantial revision of (b) with the following changes: "14.905" to "16.095"; "will be applied" to "apply"; "persons" to "water purchasers"; "enter" to "entered"; "commences" to "commenced"; "begins" to "began". Added "July 1, 1990"; "Period" and "Rate/Million Gallons". Time frame under "Period" was changed from "2/1/91" to "7/1/91". All debt service rates were revised. Changed "persons" to "water purchasers" in (c).  
 Amended by R.1992 d.237, effective June 1, 1992 (operative July 1, 1992).  
 See: 23 N.J.R. 3688(a), 24 N.J.R. 2056(a).  
 Fiscal Year 1993 rate adjustment.  
 Amended by R.1993 d.241, effective June 7, 1993.  
 See: 24 N.J.R. 4474(a), 25 N.J.R. 2269(a).  
 Fiscal Year 1994 rate adjustment.  
 Administrative Correction.  
 See: 25 N.J.R. 5956(a).  
 Amended by R.1994 d.307, effective June 20, 1994 (operative July 1, 1994).  
 See: 25 N.J.R. 5744(a), 26 N.J.R. 2598(a).  
 Amended by R.1995 d.292, effective June 5, 1995.  
 See: 26 N.J.R. 4910(a), 27 N.J.R. 2207(a).  
 Fiscal Year 1996 rate adjustments.  
 Amended by R.1996 d.257, effective June 3, 1996 (operative July 1, 1996).  
 See: 27 N.J.R. 4955(a), 28 N.J.R. 2906(a).  
 In (b) decreased the rate.  
 Amended by R.1997 d.229, effective June 2, 1997 (operative July 1, 1997).  
 See: 28 N.J.R. 5133(a), 29 N.J.R. 2553(a).  
 In (b), changed "7/1/96 to 6/30/97" to "7/1/97 to 6/30/98", and "\$748.57" to "\$654.83".  
 Amended by R.1998 d.271, effective June 1, 1998 (operative July 1, 1998).

See: 29 N.J.R. 5153(a), 30 N.J.R. 1989(a).

In (a)3, rewrote the schedule; and in (b), changed the Period from "7/1/97 to 6/30/98" to "7/1/98 to 6/30/99" and the Rate/Million Gallons from \$654.83 to \$569.36.

Administrative correction.

See: 30 N.J.R. 2476(a).

Amended by R.1999 d.181, effective June 7, 1999 (operative July 1, 1999).

See: 30 N.J.R. 4311(a), 31 N.J.R. 1485(a).

In (b), changed period and increased rate.

Amended by R.2000 d.239, effective June 5, 2000 (operative July 1, 2000).

See: 31 N.J.R. 4201(a), 32 N.J.R. 2078(a).

In (b), changed period and increased rate.

Amended by R.2001 d.209, effective June 18, 2001 (operative July 1, 2001).

See: 32 N.J.R. 4426(a), 33 N.J.R. 2099(a).

In (b), changed effective date and increased Rate/Million Gallons.

Amended by R.2002 d.178, effective June 3, 2002 (operative July 1, 2002).

See: 33 N.J.R. 4217(a), 34 N.J.R. 1905(a).

Rewrote (b) and (c).

Amended by R.2003 d.246, effective June 16, 2003 (operative July 1, 2003).

See: 35 N.J.R. 167(a), 35 N.J.R. 2653(a).

Rewrote (b) and (c).

Amended by R.2004 d.235, effective June 21, 2004 (operative July 1, 2004).

See: 35 N.J.R. 5475(a), 36 N.J.R. 3075(a).

In (b), amended the period and increased the rate; in (c), amended the periods throughout.

Amended by R.2005 d.195, effective June 20, 2005 (operative July 1, 2005).

See: 36 N.J.R. 5617(a), 37 N.J.R. 2250(a).

Rewrote (b) and (c).

Amended by R.2006 d.232, effective June 19, 2006 (operative July 1, 2006).

See: 37 N.J.R. 4721(a), 38 N.J.R. 2690(a).

In (b), substituted "2006" for "2005", "2007" for "2006" and "\$522.86" for "\$584.60"; in (c)1, substituted "4.435" for "2.935", deleted "and" preceding "October", inserted ", and January 1, 2005", substituted "2006" for "2005", "2007" for "2006" and "\$763.61" for "\$853.85".

Amended by R.2007 d.193, effective June 18, 2007.

See: 38 N.J.R. 5224(a), 39 N.J.R. 2344(a).

Rewrote (b); and in (c)1, substituted "debt service" for "Debt Service", "2007" for "06", "2008" for "07" and "\$764.44" for "\$763.61".

#### 7:11-4.5 Source water protection fund component

(a) The source water protection fund component rate per million gallons listed at (b) below is established to protect water quality and quantity in the Manasquan Water Supply System.

(b) The source water protection fund assessment is as follows:

<u>Period</u>	<u>Rate/Million Gallons</u>
7/1/2007 to 6/30/2008	\$15.00

New Rule, R.2003 d.246, effective June 16, 2003 (operative July 1, 2003).

See: 35 N.J.R. 167(a), 35 N.J.R. 2653(a).

Former N.J.A.C. 7:11-4.5, Payments, recodified to N.J.A.C. 7:11-4.6. Amended by R.2004 d.235, effective June 21, 2004 (operative July 1, 2004).

See: 35 N.J.R. 5475(a), 36 N.J.R. 3075(a).

In (b), amended the period.

Amended by R.2005 d.195, effective June 20, 2005 (operative July 1, 2005).

See: 36 N.J.R. 5617(a), 37 N.J.R. 2250(a).

In (b), amended the period.

Amended by R.2006 d.232, effective June 19, 2006 (operative July 1, 2006).

See: 37 N.J.R. 4721(a), 38 N.J.R. 2690(a).

In (b), substituted "2006" for "2005" and "2007" for "2006".

Amended by R.2007 d.193, effective June 18, 2007.

See: 38 N.J.R. 5224(a), 39 N.J.R. 2344(a).

In (b), substituted "2007" for "2006" and "2008" for "2007".

#### 7:11-4.6 Payments

(a) The annual payment consists of the aggregate amount projected by the Authority to be payable to the Authority by the purchaser during each annual payment period for uninterruptible service. This is derived by multiplying the applicable rates and charges in the rate schedule in effect for the relevant annual payment period by the number of gallons available to purchaser on an annual uninterruptible service basis (subject to the provisions of the water purchase contract) and subject to adjustment to reflect:

1. Any delayed water purchaser surcharges applicable to the purchaser;
2. Any credits to allocate benefits of any delayed water purchaser surcharges to the purchaser; and
3. Other charges, credits or adjustments provided for in the water purchase contracts.

(b) The annual payment period shall commence on July 1 and end on the next ensuing June 30.

(c) The purchaser shall make quarterly water payments for uninterruptible service not later than the 10th day of January, April, July and October in each year for uninterruptible service with respect to the calendar quarter ending on the last day of the immediately preceding month. The amount of the quarterly water payments shall be derived by dividing the amount of the purchaser's annual payment or adjusted annual payment for any fiscal year by four or in such other or different required quarterly payments of which the Authority gives notice to the purchaser pursuant to the water purchase contract.

(d) The Authority will notify the purchaser not later than 30 days prior to the beginning of each annual payment period of the amount of the purchaser's annual payment for uninterruptible service and, if the Authority determines that the quarterly water payments under the water purchase contracts should be made on a basis other than in equal installments, in order to permit the Authority to meet its obligations as they become due, it will, concurrently with such notice, provide the purchaser with a schedule of the amounts of each of the quarterly water payments to be made by the purchaser.

Recodified from N.J.A.C. 7:11-4.5 by R.2003 d.246, effective June 16, 2003 (operative July 1, 2003).

See: 35 N.J.R. 167(a), 35 N.J.R. 2653(a).

Former N.J.A.C. 7:11-4.6, Uninterruptible service, recodified to N.J.A.C. 7:11-4.7.