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Lambertville officials oppose water company rate increase

By Hunterdon County Democrat

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LAMBERTVILLE — United Water's plan to hike the cost of service by almost 60% and per-gallon usage fees by almost 20% is facing opposition by elected officials.

United Water New Jersey said it needs to recover its investment of \$81 million in system repairs and improvements made between April 2009 and July 2010 in the six counties in which it operates in New Jersey.

The state Board of Public Utilities (BPU) is hearing the request and could make a decision by August.

The city has written to United Water, opposing the petition to increase fixed quarterly service charges by 59.2% and consumption fees by 19.4%. On December 9, 2009 United Water of New Jersey filed the request with the BPU.

Before 2007, the city's water was distributed by United Water Lambertville, one of four subsidiaries which later that year merged with parent company United Water New Jersey, a move that initially triggered a decrease in the town's water rates.

"The cost to fix" the dam in 2007 at the West Amwell Township reservoir that supplies the utility, as well as local water treatment facility upgrades, "would have been astronomical for a small utility," said United Water spokesman Richard Henning.

In asking the state to approve a new rate hike, United Water said the company "believes that the increase is necessary in order for it to be able to continue to provide safe, adequate and proper service to its customers and to prevent the impairment of its financial integrity."

At a meeting on April 12, the council, mayor and public "expressed concern for the burden and financial hardship this will place on the public and for the concern that there is no benefit to the community," according to the letter from the city to United Water. "

In the letter, City Clerk Cindy Ege said "property tax owners are faced with the loss of employment and the impact of a recession," therefore officials and residents hope the BPU will deny the increase.

After the petition was filed in December, the public utilities staff and rate fare advocates asked for evidence for the increase request and there was a public hearing, said Henning.

Evidentiary hearings are next, at which point the staff of the commission advocates can question, in a court-like setting, company witnesses and experts. An administrative law judge will then determine whether the increase should be adopted, said Henning.