Agenda Date: 7/22/15 Agenda Item: VB



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/

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IN THE MATTER OF THE JOINT PETITION OF AMERICAN WATER WORKS COMPANY, INC. AND ENVIRONMENTAL DISPOSAL CORP., FOR AMONG OTHER THINGS, APPROVAL OF A CHANGE IN CONTROL OF ENVIRONMENTAL DISPOSAL CORP. ORDER GRANTING MOTIONS FOR INTERVENTION

DOCKET NO. WM15040492

Parties of Record:

Jordan Mersky, Esq., American Water Works Company, Inc. Edward DeHope, Esq., Riker Danzig Scherer Hyland & Perretti LLP, on behalf of The Hills Development Company and Environmental Disposal Corp. William K. Mosca, Jr., Bevan, Mosca, Giuditta & Zarillo, P.C., on behalf of the Township of Bedminster, the Township of Bernards, and the Borough of Far Hills Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD: 1

On April 29, 2015, American Water Works Company, Inc. ("American Water") and Environmental Disposal Corporation ("EDC") filed a verified joint petition with the Board of Public Utilities ("Board"), pursuant to <u>N.J.S.A.</u> 48:2-51.1, <u>N.J.S.A.</u> 48:3-10, and such other statutes and regulations as may be deemed relevant to this mater, seeking, among other things, approval of the acquisition and control of EDC by American Water as contemplated in a Stock Purchase Agreement ("Agreement") between American Water and The Hills Development Company ("HDC"), the parent of EDC, dated February 25, 2015. The Agreement provides that, subject to obtaining certain regulatory approvals and the satisfaction of certain other conditions, American Water "vill acquire all of the issued and outstanding capital stock of EDC and therefore will acquire 100% control of EDC.

¹ President Richard S. Mroz and Commissioner Upendra J. Chivukula recused themselves due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

HDC is the sole owner of all of the issued and outstanding capital stock of EDC. EDC will become a direct subsidiary of American Water. Also, HDC is a general partnership organized and existing under the laws of the State of New Jersey, located in Bedminster, New Jersey. EDC is a regulated public utility organized and operating under the laws of the State of New Jersey and is in the business of collection, treatment and disposal of sewage, whose franchise area includes certain portions of the Township of Bedminster ("Bedminster") and the Township of Bernards ("Bernards"), in Somerset County. EDC provides service to approximately 5,300 customers within its franchise areas and provides treatment of municipal sewage delivered to it by the Borough of Far Hills ("Far Hills"), the Borough of Peapack & Gladstone, Bedminster, and Bernards, under bulk user agreements.

The Board, pursuant to <u>N.J.S.A.</u> 48:2-13, has been granted general supervision and regulation of and jurisdiction and control over all public utilities within the State of New Jersey. Pursuant to <u>N.J.S.A.</u> 48:2-32.2, Bedminster, Far Hills, and Bernards (collectively, "the Municipalities") moved to intervene by a one-page form letter dated May 5, June 10, and June 16, 2015, respectively, claiming their statutory right to intervene under <u>N.J.S.A.</u> 48:2-32.2(a), "[e]very municipality may intervene...in any hearing or investigation held by the board, which involves public utility rates, fares or charges, services or facilities, affecting the municipality or municipalities."² Letter at 1.

The standards for intervention are also set forth in <u>N.J.A.C.</u> 1:1-16.1 <u>et seq.</u> <u>N.J.A.C.</u> 1:1-16.1(a) provides that "[a]ny person or entity not initially a party, who has a statutory right to intervene or who will be substantially, specifically and directly affected by the outcome of a contested case, may on motion, seek leave to intervene." In addition, generally, in determining whether intervention will be granted, the Board must consider: (1) the nature and extent of the movant's interest in the outcome of the case; (2) whether the movant's interest is sufficiently different from that of any other party so as to add measurably and constructively to the scope of the case; (3) the prospect for confusion and delay arising from the movant's inclusion; and (4) other appropriate matters. See N.J.A.C. 1:1-16.3.

The Board received no comments from any party on the Municipalities' motions. The Board **HEREBY FINDS** that the petition involves public utility service or facilities affecting the Municipalities to such an extent as to satisfy the statutory requirements for intervention under N.J.S.A. 48:2-32.2(a).

Based upon <u>N.J.S.A.</u> 48:2-32.2(a), the Board <u>HEREBY</u> <u>GRANTS</u> the motion of the Township of Bedminster to Intervene, the motion of the Borough of Far Hills to Intervene, and the motion of the Township of Bernards to Intervene.

² Each letter contains the correct docket number, but the case name differs somewhat from the actual case name set forth in the petition.

This Order shall be effective on August 1, 2015.

DATED: 23,2015 m

JOSEPH L. FIORDALISO

COMMISSIONER

BOARD OF PUBLIC UTILITIES BY:

MARY-ANNA HOL COMMISSIONER

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DIANNE SOLOMON COMMISSIONER

ATTEST:

IRENE KIM ASBURY SECRETARY

I HENTEY CENTIFY that the within domment is a true copy of the original in the files of the Board of Public Utilizies

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