

Agenda Date: 12/16/15 Agenda Item: VA

STATE OF NEW JERSEY Board of Public Utilities 44 South Clinton Avenue, 9<sup>th</sup> Floor Post Office Box 350 Trenton, New Jersey 08625-0350

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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 MOTION 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 Borough of Peapack-Gladstone, 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 matter, 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 will acquire all of the issued and outstanding capital stock of EDC and therefore will acquire 100% control of EDC.

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 Borough of Peapack-Gladstone, under a bulk user agreement.

<sup>&</sup>lt;sup>1</sup> Commissioner Upendra J. Chivukula recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter. Commissioner Joseph L. Fiordaliso was not present at the December 16, 2015 agenda meeting.

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, the Borough of Peapack-Gladstone moved to intervene by a one-page form letter dated October 1, 2015, claiming the 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."

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. <u>See N.J.A.C.</u> 1:1-16.3.

The Board received no comments from any party on the Municipality's motion. The Board <u>HEREBY</u> <u>FINDS</u> that the petition involves public utility service or facilities affecting the Municipality to such an extent as to satisfy the statutory requirements for intervention under <u>N.J.S.A.</u> 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 Borough of Peapack-Gladstone to Intervene.

This Order shall be effective on December 26, 2015.

DATED: 12/16/15

BOARD OF PUBLIC UTILITIES BY:

DIANNE SOLOMON

COMMISSIONER

RICHARD S. MROZ PRESIDENT

MÁRY-ANNA HOLDEN COMMISSIONER

ATTEST: TRENE KIM ASBUR

SECRETARY

HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities

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