

STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

WATER

IN THE MATTER OF THE PETITION OF NEW JERSEY-)	ORDER GRANTING MOTION
AMERICAN WATER COMPANY, INC. FOR)	TO INTERVENE
AUTHORIZATION TO IMPLEMENT A DISTRIBUTION)	
SYSTEM IMPROVEMENT CHARGE)	DOCKET NO. WR24030187

Parties of Record:

Christopher M. Arfaa, Esq., for Petitioner, New Jersey-American Water Company, Inc. Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel Anthony R. Francioso, Esq., Fornaro Francioso LLC for Mount Laurel Township Municipal Utilities Authority

BY THE BOARD:1

On March 19, 2024, New Jersey-American Water Company, Inc. ("NJAW" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board"), pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:9-10.1, *et seq.*, seeking approval to implement an automatic adjustment clause tariff that would establish a Distribution System Improvement Charge ("DSIC") for the renewal of water distribution system assets for the period 2024 through 2027 ("Petition"). By this Order, the Board disposes of the Motion to Intervene filed by the Mount Laurel Municipal Utilities Authority ("Mount Laurel") on July 23, 2024 ("Motion").

BACKGROUND AND PROCEDURAL HISTORY

NJAW is a public utility corporation of the State of New Jersey engaged in the production, treatment and distribution of water serving approximately 668,000 water and fire service customers in portions of Atlantic, Bergen, Burlington, Camden, Cape May, Essex, Gloucester, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Salem, Somerset, Union and Warren Counties in New Jersey.

By the Petition, the Company sought to establish a DSIC for the recovery of costs of investments related to the replacement of water mains, service lines, hydrants and valves that enhance the safety, reliability, water quality, system flows, pressure and/or water conservation of the water distribution system. The rates proposed in the Petition would increase annual revenues, in

¹ Commissioner Michael Bange is recused from this matter due to a potential conflict of interest and, as such, took no part in discussions or deliberations on this matter.

increments occurring at approximately six (6)-month intervals, by no more the 5% or approximately \$54,396,347, the maximum DSIC revenue allowable under N.J.A.C. 14:9-10.1, et seq., for the time period covered by the Petition and accompanying DSIC Foundational Filing.² The proposed DSIC would commence approximately eight (8) months after approval of the Petition as infrastructure is renewed or replaced, placed in service, and used for providing service to customers.

After proper notice in newspapers of general circulation throughout the Company's service territory, two (2) virtual public hearings were held on July 16, 2024 at 4:30 p.m. and 5:30 p.m., presided over by a hearing officer appointed by the Board.

MOTION TO INTERVENE

By the Motion, Mount Laurel explained that it procures water from NJAW as a bulk resale customer and will be directly affected by NJAW's requested rate and service increases. Mount Laurel also noted its interests are distinct from other NJAW customers and that its intervention would not cause any undue delay or confusion in the docket. The Board did not receive any opposition to the Motion.

DISCUSSION AND FINDINGS

In ruling on a motion to intervene, N.J.A.C. 1:1-16.3(a) requires that the decision-maker consider:

- 1. The nature and extent of the moving party's interest in the outcome of the case;
- 2. Whether that 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 inclusion of the party; and
- 4. Other appropriate matters.

If the standard for intervention is not met, N.J.A.C. 1:1-16.5 provides for a more limited form of involvement in the proceeding as a "participant" if, in the discretion of the trier of fact, the addition of the moving party is likely to add constructively to the case without causing undue delay or confusion. Under N.J.A.C. 1:1-16.6(c), such participation is limited to the right to argue orally, file a statement or brief, file exceptions, or all of these as determined by the trier of fact.

² The final cap number is expected to be set pursuant to the Company's current base rate case proceeding, BPU Docket No. WR24010056 and current Purchased Water Adjustment Clause proceeding, BPU Docket No. WR23110791.

As the Board explained in previous proceedings, application of these standards involves an implicit balancing test. The need and desire for development of a full and complete record, which involves consideration of a diversity of interests, must be weighed against the requirements of the New Jersey Administrative Code, which recognizes the need for prompt and expeditious administrative proceedings by requiring that an interveners' interest be specific, direct and different from that of the other parties so as to add measurably and constructively to the scope of the case.³

After consideration of the Motion and given the lack of any objections, the Board <u>HEREBY FINDS</u> pursuant to N.J.A.C. 1:1-16.3, that Mount Laurel will be directly affected by the outcome of this proceeding and will add measurably and constructively to the case without causing undue delay or confusion. The Board <u>FURTHER FINDS</u> that Mount Laurel has met the standards for intervention in this proceeding. Accordingly, having received no objection, the Board <u>HEREBY GRANTS</u> the Motion.

The effective date of this Order is August 21, 2024.

DATED: August 14, 2024

BOARD OF PUBLIC UTILITIES BY:

CHRISTINE GUHL-SADOVY

PRESIDENT

DR. ZÉNON CHRISTODOULOU

COMMISSIONER

MARIAN ABDOU COMMISSIONER

ATTEST:

DAWN A. GRAY

EXECUTIVE ASSISTANT

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

³ See In re Joint Petition of Public Service Electric and Gas Company and Exelon Corporation for Approval of a Change in Control of Public Service Electric and Gas Company, and Related Authorizations, BPU Docket No. EM05020106, Order dated June 8, 2005.

IN THE MATTER OF THE PETITION OF NEWJERSEY-AMERICAN WATER COMPANY, INC. FOR AUTHORIZATION TO IMPLEMENT A DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

DOCKET NO. WR24030187

SERVICE LIST

New Jersey American Water Company

Christopher M. Arfaa, Esq., Corporate Counsel One Water Street Camden, NJ 08102 chris.arfaa@amwater.com

Division of Rate Counsel

140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003

Brian Lipman, Esq., Director blipman@rpa.nj.gov

Susan McClure, Esq. smclure@rpa.nj.gov

Christine Juarez, Esq. cjuarez@rpa.nj.gov

Emily Lam, Esq. elam@rpa.nj.gov

Department of Law and Public Safety

Division of Law Public Utilities Section 25 Market Street, Post Office Box 112 Trenton, NJ 08625

Daren Eppley, Section Chief, DAG daren.eppley@law.njoag.gov

Pamela Owen, DAG, Assistant Section Chief pamela.owen@law,njoag.gov

Meliha Arnautovic, DAG meliha.arnautovic@law.njoag.gov

Terel Klein, DAG terel.klein@law.njoag.gov

Board of Public Utilities

44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350

Sherri L. Golden, Board Secretary board.secretary@bpu.nj.gov

Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov

Office of General Counsel

Carol Artale, Deputy General Counsel carol.artale@bpu.nj.gov

Kit Burnette, Regulatory Officer kit.burnette@bpu.nj.gov

Division of Engineering

Dean Taklif, Director dean.taklif@bpu.nj.gov

Yanina Lepore <u>wanina.lepore@bpu.nj.gov</u>

Mount Laurel MUA

Anthony R. Francioso, Esq. Fornaro Francioso LLC 1540 Kuser Road, A-1 Hamilton, NJ 08619

afrancioso@fornarofrancioso.com