



Agenda Date: 12/17/25  
Agenda Item: VA

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**44 South Clinton Avenue, 1<sup>st</sup> Floor**  
**Trenton, New Jersey 08625-0350**  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

WATER

IN THE MATTER OF THE PETITION OF NEW	)	ORDER APPROVING
JERSEY-AMERICAN WATER COMPANY, INC. FOR	)	MUNICIPAL CONSENT
APPROVAL OF A MUNICIPAL CONSENT	)	
GRANTED BY THE TOWNSHIP OF PILESGROVE,	)	
COUNTY OF SALEM	)	DOCKET NO. WE25070385

**Parties of Record:**

**Stephen R. Bishop, Esq.**, New Jersey-American Water Company, Inc.  
**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel

**BY THE BOARD:**

By this Order, the New Jersey Board of Public Utilities ("Board") considers a petition filed by the New Jersey-American Water Company, Inc. ("NJAWC" or "Company") on July 9, 2025, pursuant to N.J.S.A. 48:2-14, N.J.A.C. 14:1-5.5, and such other regulations and statutes as may be deemed applicable and appropriate by the Board, for approval of Municipal Consent Ordinance No. 25-02 ("Municipal Consent") adopted on March 11, 2025 by the Township of Pilesgrove, County of Salem ("Township" or "Pilesgrove") allowing the Company to provide water service to a portion of the Township identified as Block 45, Lots 1.01, 1.02, 1.03, 1.04, and 1.06 on the Tax Map of Pilesgrove ("Proposed Franchise Area") and to lay pipes and install other utility facilities as may be necessary ("Petition").<sup>1</sup>

**BACKGROUND**

NJAWC is a regulated public utility corporation engaged in the production, treatment and distribution of water and collection and treatment of sewage within its defined service territory within the State of New Jersey, which includes portions of Atlantic, Bergen, Burlington, Camden, Cape May, Essex, Gloucester, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Salem, Somerset, Union, and Warren counties. Within its service territory, NJAWC serves approximately 672,000 water and fire service customers and 70,000 wastewater customers as of December 31, 2024.

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<sup>1</sup> Ordinance No.25-02 is attached to this Order as Exhibit A.

The Township encompasses approximately thirty-five (35) square miles and has a population of approximately 4,183 people. The Proposed Franchise Area encompasses the proposed commercial development referred to as the North Point Pilesgrove Industrial Development, which includes four (4) warehouses, a wastewater treatment plant, and a proposed Walmart cold storage facility. The Proposed Franchise Area is not currently within NJAWC's existing franchise and water service is required for a development that was approved by the Township on December 15, 2021, with such approval memorialized on January 19, 2022.

The Municipal Consent was introduced and adopted pursuant to N.J.S.A. 48:3-11 through 48:3-15, N.J.S.A. 48:19-17, N.J.S.A. 48:19-20, and N.J.S.A. 48:13-11 to permit the Company to construct, lay, maintain, and operate the necessary water mains, pipes, and appurtenances to furnish water service to the Proposed Franchise Area.

### **PETITION**

By the Petition, NJAWC sought Board approval of the Municipal Consent authorizing the Company to extend its franchise territory to provide water service within the Proposed Franchise Area. NJAWC indicated that this extension is necessary and proper for public convenience and properly serves the public interest by permitting the provision of water service to this portion of the Township. The Company further stated that the extension shall leverage its experience, expertise, and economies of scale to benefit the customers of the Township and of NJAWC.

NJAWC also sought authority to incorporate the customers in the Proposed Franchise Area into the Company's tariff to pay general metered service tariff rates under Rate Schedule A-1 in the Company's Board approved tariff.

On October 9, 2025, following proper notice to the public, a virtual public hearing was held on the Petition and presided over by a hearing officer of the Board. Representatives from the Company, the New Jersey Division of Rate Counsel ("Rate Counsel"), and Board Staff ("Staff") appeared. One (1) member of the public attended without identifying themselves or providing comments, and the Board received no written public comments on this matter.

By letter dated October 22, 2025, Rate Counsel submitted comments on the Petition noting that, subject to certain conditions, it did not oppose the Municipal Consent. However, Rate Counsel expressed concerns that NJAWC's right to provide water service, as granted by the Municipal Consent, is perpetual. Rate Counsel also stated that the Municipal Consent fails to comply with the fifty (50) year limit on the duration of the consent to lay pipes in public places set forth in N.J.S.A. 48:3-15. Therefore, Rate Counsel recommended that the Board modify the term of the Municipal Consent to be limited to fifty (50) years for the specific authorization to provide water service and to access public streets and places within the Township under N.J.S.A. 48:3-15. Rate Counsel stated that its recommended provisions would satisfy its concerns that NJAWC complies with the proper statutory framework, that Board approval is limited to the specific approvals requested, and that there is no authorization to include any specific assets or amounts in rate base, nor authorization for any other ratemaking treatment.

### **DISCUSSION AND FINDINGS**

No municipality or other political subdivision of the State may grant a privilege or franchise to any public utility unless approved by the Board. N.J.S.A. 48:2-14. The Board should grant approval when, after hearing, the Board determines the franchise is necessary and proper for the public

convenience and properly conserves the interests of the public. Ibid. The Board may impose conditions on its approval as the public convenience and interest may require. Ibid.

The Board, having reviewed the Petition and the entire record in this matter, **HEREBY FINDS** the Municipal Consent is necessary and proper for the public convenience and properly conserves the public interest.

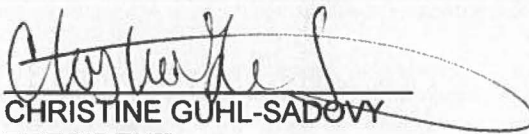
Accordingly, the Board **HEREBY APPROVES** the Municipal Consent to extend NJAWC's service territory to include the proposed commercial development in the Proposed Franchise Area. The Board **FURTHER FINDS** that the Company has the ability to provide safe, adequate, and proper service in the Proposed Franchise Area. The approvals granted hereinabove shall be subject to the following provisions:

1. This Order shall not affect or in any way limit the exercise of the authority of the Board, or of the State, with regard to any future petition or in any proceeding with respect to rates, franchises, service, financing, accounting, capitalization, depreciation, or in any matter affecting the Company.
2. This Order shall not be construed as directly or indirectly fixing, for any purposes whatsoever, any value of any tangible or intangible assets or liabilities now owned or hereafter to be owned by the Company.
3. NJAWC shall not depreciate any portion of the water system expansion that is funded by Contributions in Aid of Construction.
4. Pursuant to N.J.S.A. 48:3-15, the Municipal Consent for the use of streets is limited to a term of fifty (50) years from the effective date of this Order.
5. In order to ensure periodic municipal and Board review, the term of the Company's authority to provide water service under N.J.S.A. 48:2-14 shall be limited to the same period as the Company's authority for the use of streets.
6. Nothing in this Order shall constitute Board approval of the rates to be paid by customers in the Township. Any rates represented by the Company are not guaranteed and the Board has the authority to set rates at an amount it deems just and reasonable as part of the next base rate case filed by the Company, regardless of any representations made by the Company to the Township or its residents.
7. Approval of the Municipal Consent does not constitute approval of any specific main extension or plan for service. In extending service, the Company must comply with all applicable laws.
8. Within ten (10) days of the signed order, NJAWC shall submit revised tariff pages.
9. Staff is authorized to approve, subject to comments filed by Rate Counsel, any written request by the Company for additional time to comply with any applicable terms set forth in this Order.
10. Board approval in this proceeding is limited to approval of the Municipal Consent only.

This Order shall be effective on December 24, 2025.

DATED: December 17, 2025

BOARD OF PUBLIC UTILITIES  
BY:



CHRISTINE GUHL-SADOVY  
PRESIDENT

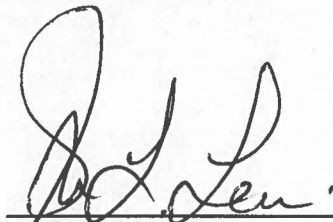


DR. ZENON CHRISTODOULOU  
COMMISSIONER



MICHAEL BANGE  
COMMISSIONER

ATTEST:



SHERRI L. LEWIS  
BOARD SECRETARY

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

IN THE MATTER OF THE PETITION OF NEW JERSEY-AMERICAN WATER COMPANY, INC. FOR APPROVAL  
OF A MUNICIPAL CONSENT GRANTED BY THE TOWNSHIP OF PILESGROVE, COUNTY OF SALEM

DOCKET NO. WE25070385

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Exhibit A  
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**TOWNSHIP OF PILESGROVE  
SALEM COUNTY, NEW JERSEY  
ORDINANCE NO. 25-02  
AN ORDINANCE GRANTING LIMITED MUNICIPAL  
CONSENT TO NEW JERSEY-AMERICAN WATER  
COMPANY, INC. TO PERMIT WATER SERVICE AND THE  
CONSTRUCTION, EXPANSION AND MAINTENANCE OF  
WATER FACILITIES IN THE PUBLIC RIGHT OF WAY ON  
BLOCK 45, LOTS 1.01,1.02,1.03,1.04, 1.06. IN THE  
TOWNSHIP OF PILESGROVE IN ORDER TO FURNISH  
WATER SERVICE WITHIN THE BOUNDARIES OF THE  
TOWNSHIP**

WHEREAS, the Township of Pilesgrove ("Township"), Salem County, New Jersey is desirous of providing water services to Block 45, Lots 1.01,1.02,1.03,1.04, 1.06 not currently within New Jersey-American Water Company, Inc.'s existing franchise, and which is required for an approved development that was granted approval on 12/15/2021 and memorialized 1/19/22; and

WHEREAS, New Jersey-American Water Company, Inc. ("Company") is a regulated public utility corporation in the State of New Jersey presently seeking the municipal consent of the Township to permit said Company to provide water service to this designated area in the Township; and

WHEREAS, the Company has requested the consent of the Township, as required by N.J.S.A. 48:19-17 and 48:19-20, as amended, to provide water service and lay its pipes beneath and restore such public roads, streets and places as it may deem necessary for its corporate purposes, free from all charges to be made for said privilege (except fees for road opening permits shall be paid), provided that said pipes shall be laid at least three feet (3') below the surface and shall not in any way unnecessarily obstruct

Exhibit A  
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or interfere with the public travel or cause or permit other than temporary damage to public or private property, or extend beyond the area needed to provide water to Block 45, Lots 1.01, 1.02, 1.03, 1.04, 1.06 and

WHEREAS, it is deemed to be in the best interest of the citizens of the Township with regard to the entire municipality to provide this limited consent;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF PILESGROVE IN THE COUNTY OF SALEM, NEW JERSEY AS FOLLOWS:

SECTION I

The Township hereby grants to the Company, its successors and assigns, in perpetuity, the municipal consent required under the provisions of N.J.S.A. 48:19-17 and 48:19-20, as amended, without charge therefore, (except fees for road permits shall be paid) as the same may be required in order to permit the Company to provide water service and to add to, extend, operate and maintain the necessary water facilities on public streets, roads and property described herein in order to provide said water service. The privilege granted herein shall include the right to construct, install and maintain hydrants on and along the Township roads, streets and places at locations as the Township shall designate from time to time that may be required for this property. Permission to construct, install and maintain water facilities in the public right of way along roads, streets and places at locations in the Township that are not within the jurisdiction of the Township must be obtained from the Agency having jurisdiction for that road, street or place. Proof of permission from the Agency having jurisdiction shall be submitted to

Exhibit A  
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the Township prior to commencement of construction, installation or maintenance. Township or its designee will pay to the Company the filed tariff rates for public fire protection service rendered through said hydrants.

SECTION II

That a certified copy of this Ordinance, upon final passage, shall be sent to the Company, the New Jersey Department of Environmental Protection and the Board of Public Utilities of the State of New Jersey.

SECTION III

That the limited consent granted herein shall be subject to the Company complying with all applicable laws of the Township and/or the State of New Jersey including, but not limited to, any and all statutes and administrative agency rules and/or regulations.

SECTION IV

The Township Administrator, Mayor, and the Clerk of the Township are authorized to execute the documents and agreements necessary to effectuate the limited municipal consent and to protect the rights of the public involved.

SECTION V

The limited consent granted herein extends only to the presently existing territory of the Company in the Township identified as Block 45, Lots 1.01, 1.02, 1.03, 1.04, 1.06 as shown on the Tax Map of the Township of Pilesgrove in existence on the date of the passage of this Ordinance.

SECTION VI



Exhibit A  
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Each section, subsection, sentence, clause, phrase of this Ordinance is declared to be an independent section, subsection, sentence, clause and phrase, and the finding or holding of any such portion of this Ordinance to be unconstitutional, void, or ineffective for any cause, or reason, shall not affect any other portion of this Ordinance.

**SECTION VII**

All ordinances or parts of ordinances inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

ATTEST:

  
Melissa Fackler, Clerk

  
Kevin Eachus, Mayor

**CERTIFICATION**

I hereby certify the above to be a true copy of Ordinance No. 25-02 that was introduced and passed on first reading by the Pilesgrove Township Committee at a public meeting held on February 11, 2025 and adopted following second reading and a public hearing held on March 11, 2025 at 7:00 p.m., at the Pilesgrove Township Municipal Building, 1180 Route 40, Pilesgrove, New Jersey, 08098.

  
Melissa Fackler, Clerk

3/11/25  
Date