



Agenda Date: 6/30/26  
Agenda Item: IIIA

**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/)

ENGINEERING

IN THE MATTER OF THE PETITION OF NEW )  
JERSEY-AMERICAN WATER COMPANY FOR )  
APPROVAL OF A MUNICIPAL CONSENT )  
GRANTED BY HOPEWELL BOROUGH, MERCER )  
COUNTY, NEW JERSEY ) DOCKET NO. WE26020031

**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 February 10, 2026, 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, seeking approval of Ordinance No. 908 (“Municipal Consent”) adopted on February 5, 2026, by the Hopewell Borough, Mercer County (“Borough”) allowing the Company to provide water service throughout the geographical area of the Borough (“Proposed Franchise Area”) and lay pipes and install other utility facilities as may be deemed 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 680,000 water and fire service customers and 70,000 wastewater customers as of December 31, 2025.

The Borough owns and operates a water system (“System”) serving approximately 888 water service customers to its approximately 1,912 residents and approximately eighty-nine (89)

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<sup>1</sup> Ordinance No. 908 is attached to this Order as Exhibit A.

commercial accounts, along with forty-one (41) connections in the Township of Hopewell. The Proposed Franchise Area is not currently within NJAWC's existing franchise, under which it serves other portions of the Township of Hopewell.

The Municipal Consent was introduced and adopted pursuant to N.J.S.A. 48:2-14, N.J.S.A. 48:3-11 to 15, 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 (collectively, "Facilities") to provide water service to the Proposed Franchise Area. The Municipal Consent was adopted by the Borough in anticipation of the sale of the System to NJAWC pursuant to the provisions of the Water Infrastructure Protection Act, N.J.S.A. 58:30-1 et seq. ("WIPA").

As part of the WIPA process, on April 4, 2025, NJAWC filed a petition with the Board seeking: 1) approval, pursuant to the provisions of WIPA, of an agreement between the Borough and NJAWC ("Agreement"); 2) a determination that the purchase price pursuant to the Agreement is reasonable and thus the rate base of the System; 3) a determination that NJAWC's transaction, closing, and transition costs are reasonable and prudent and may be deferred for recovery in a future base rate case; and 4) such other approvals as may be necessary to complete the proposed transaction, subject to the voters of the Borough approving of voter referendum on election day in November 2025 pursuant to N.J.S.A. 40.62-5 ("Referendum") ("WIPA Petition").

On June 18, 2025, the Board issued an Order approving a stipulation of settlement reached between the parties to WIPA Petition.<sup>2</sup> On November 4, 2025, the voters of the Borough approved the Referendum permitting the Borough to move forward with the sale of the System to NJAWC. On December 10, 2025, NJAWC and the Borough executed the Agreement in the form that was approved by the Board.

## **PETITION**

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

NJAWC noted that it is not seeking the Board's determination on any ratemaking treatment relative to the Facilities, as the rates to the Borough residents have already been decided under the WIPA Petition.

On May 21, 2026, 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. No members of the public attended, and the Board received no written public comments on this matter.

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<sup>2</sup> In re the Petition of New Jersey-American Water Company, Inc. for: (1) Approval of its Agreement with Hopewell Borough, Mercer County, New Jersey for the Purchase and Sale of Water System; (2) a Determination that the Purchase Price is Reasonable; (3) a Determination that the Transaction Costs are Reasonable; and (4) for such other Approvals as may be Necessary to Complete the Proposed Transaction, BPU Docket No. WM25040191, Order dated June 18, 2025.

By letter dated May 29, 2026, Rate Counsel submitted comments on the Petition noting that, subject to certain conditions, it did not oppose the Municipal Consent. Rate Counsel stated that the Municipal Consent complies with the fifty (50) year term limit on the duration of the consent to lay pipes in public places set forth in N.J.S.A. 48:3-15. However, Rate Counsel expressed concerns that the Municipal Consent lacks a specific duration for NJAWC's right to provide water service. 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 Borough 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 expand NJAWC's service territory to include the Borough 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, regarding 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. The Company shall not depreciate the 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 and other places.
6. Nothing in this Order shall constitute Board approval of the rates to be paid by customers in the Borough. Any rates represented by the Company are not guaranteed

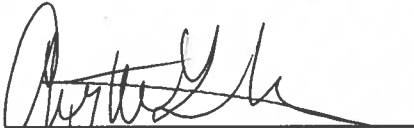
and the Board has the authority to set rates at an amount it deems just and reasonable as part of the next base rate case filed by the Company, regardless of any representations made by the Company to the Borough or its residents.

- 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 June 30, 2026.

DATED: June 30, 2026

BOARD OF PUBLIC UTILITIES  
BY:

  
 CHRISTINE GUHL-SADOVY  
 PRESIDENT

ABSTAINED

  
 DR. ZENON CHRISTODOULOU  
 COMMISSIONER

  
 MICHAEL BANGE  
 COMMISSIONER

  
 EMMA REBHORN  
 COMMISSIONER

  
 JOSEPH COVIELLO  
 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 FOR APPROVAL OF A  
MUNICIPAL CONSENT GRANTED BY HOPEWELL BOROUGH, MERCER COUNTY, NEW JERSEY

DOCKET NO. WE26020031

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**BOROUGH OF HOPEWELL  
MUNICIPAL CONSENT ORDINANCE**

**ORDINANCE # 908**

**AN ORDINANCE OF THE BOROUGH OF HOPEWELL, MERCER COUNTY, GRANTING MUNICIPAL CONSENT TO NEW JERSEY-AMERICAN WATER COMPANY, INC. TO PROVIDE WATER SERVICE AND THE CONSTRUCTION, EXPANSION AND MAINTENANCE OF WATER FACILITIES IN THE PUBLIC RIGHT OF WAY IN BOROUGH OF HOPEWELL IN ORDER TO FURNISH WATER SERVICE WITHIN THE BOUNDARIES OF THE BOROUGH.**

**WHEREAS**, New Jersey-American Water Company, Inc. ("New Jersey-American Water") is in the process of acquiring the water system (the "System") currently owned and operated by the Borough of Hopewell (the "Borough"), subject to regulatory approvals; and

**WHEREAS**, the Borough is desirous of having New Jersey-American Water acquire the System; and

**WHEREAS**, New Jersey-American Water is a regulated public utility corporation of the State of New Jersey presently seeking the municipal consent of the Borough to permit New Jersey-American Water to provide water service to the Borough; and

**WHEREAS**, New Jersey-American Water has requested the consent of the Borough to provide water service to the Borough pursuant to N.J.S.A. 48:2-14; and

**WHEREAS**, New Jersey-American Water has requested the consent of the Borough for use of its streets, with such consent limited to the fifty (50) year duration set forth in N.J.S.A 48:3-15, including the consent of the Borough pursuant to N.J.S.A. 48:19-17 and N.J.S.A. 48:19-20, to 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 or interfere with the public travel or cause or permit other than temporary damage to public or private property; and

**WHEREAS**, it is deemed by the Mayor and Borough Council that granting said consent is in the best interest of the Borough and its citizens; and

**WHEREAS**, notice of this Ordinance was published in accordance with the requirements of N.J.S.A. 48:3-13 and N.J.S.A. 48:3-14.

**NOW, THEREFORE, BE IT ORDAINED**, by the Mayor and Council of the Borough of Hopewell, Mercer County, a municipal corporation of New Jersey, as follows:

**Section 1.**

- A. The Borough hereby grants to New Jersey American Water, its successors and assigns, in perpetuity the exclusive municipal consent to provide water services to the Borough pursuant to N.J.S.A. 48:2-14.
- B. The Borough hereby grants to New Jersey-American Water, its successors and assigns, the

municipal consent to use the streets pursuant to N.J.S.A. 48:3-11 and 48:3-15, with such consent limited to fifty (50) years as set forth in N.J.S.A. 48:3-15, as well as the consent pursuant to 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 New Jersey-American Water 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.

- C. That a certified copy of this Ordinance, upon final passage, shall be sent to New Jersey-American Water, who will provide to the New Jersey Department of Environmental Protection and the Board of Public Utilities of the State of New Jersey as necessary.
- D. That the consent granted herein shall be subject to New Jersey-American Water complying with all applicable laws of the Borough and/or the State of New Jersey including, but not limited to, any and all statutes and administrative agency rules and/or regulations.
- E. The Borough Administrator, Mayor, and the Clerk of the Borough, or their respective designee, are authorized to execute the documents and agreements necessary to effectuate the municipal consent and to protect the rights of the public involved.

**Section 2**

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 3.**

Repealer.

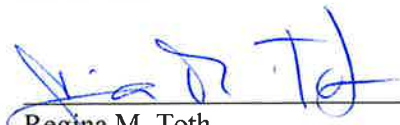
All ordinances or parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed to the extent of such inconsistencies.

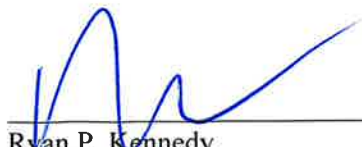
**Section 4.**

This ordinance shall take effect upon final passage and publication as required by law.

INTRODUCED: 1/5/2026  
PUBLISHED: 1/9/2026, 1/16/2026  
ADOPTED: 2/5/2026  
INTRODUCED BY: Ms. Weaver

**ATTEST:**

  
\_\_\_\_\_  
Regina M. Toth  
Borough Clerk

  
\_\_\_\_\_  
Ryan P. Kennedy  
Mayor

ROLL CALL VOTE				
COUNCIL MEMBER	YES	NO	ABSTAIN	ABSENT
BUDA	✓			
FULLER	✓			
HOOK	✓			
STUHLER	✓			
WEAVER	✓			
WILENIUS	✓			