



State of New Jersey  
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 01166-15

AGENCY DKT. NO. WR15010035

IN THE MATTER OF THE PETITION OF  
NEW JERSEY AMERICAN WATER COMPANY, INC.,  
FOR APPROVAL OF INCREASED TARIFF RATES  
AND CHARGES FOR WATER AND SEWER SERVICE;  
CHANGE IN DEPRECIATION RATES  
AND OTHER TARIFF MODIFICATIONS.

RECEIVED

AUG 21 2015

BOARD OF PUBLIC UTILITIES  
MAIL ROOM

**Ira G. Megdal, Esq., and Stacy A. Mitchell, Esq.,** (Cozen O'Connor) and **Robert J. Brabston**, Corporate Counsel, for Petitioner New Jersey-American Water Company, Inc.

CMS  
V. Haynes  
D. Lee Thomas  
M. Moran  
M. Kammer  
M. Mosser

**Debra F. Robinson**, Deputy Rate Counsel, **Susan E. McClure**, Assistant Deputy Rate Counsel, and **Christine Juarez**, Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel (Stefanie A. Brand, Director of the Division of Rate Counsel, attorney)

K. Welch  
M. Koczur  
E. Bestow  
J. Gertsman  
C. Vachier

**Alex Moreau**, Deputy Attorney General, and **Carolyn McIntosh**, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (John J. Hoffman, Acting Attorney General of New Jersey, attorney)

**Stephen B. Genzer, Esq.**, for Intervenor Aqua New Jersey, Inc. (Saul Ewing, LLP, attorneys)

**Bradford M. Stern, Esq.**, for Intervenor, Cogen Technologies Linden Venture, L.P., Phillips 66 Company, Johanna Foods, Inc., Princeton University, and Rutgers, the State University of New Jersey (Law Offices of Bradford M. Stern LLC, attorneys)

**Anthony R. Francioso, Esq.**, for Intervenor the Mount Laurel Township Municipal Utilities Authority (Fornaro Francioso, attorneys)

**James H. Laskey, Esq.**, for Intervenor, Manasquan Customer Group (Norris McLaughlin & Marcus, P.A., attorneys)

**Jay L. Kooper, Esq.**, for Intervenor, Middlesex Water Company;

**William R. Holzapfel, Esq.**, for Intervenor, City of Elizabeth

**Stuart A. Platt, Esq.**, for Intervenor, Township of Haddon (Platt & Riso, P.C., attorneys)

Record Closed: August 14, 2015

Decided: August 21, 2015

**BEFORE BARRY E. MOSCOWITZ, ALJ:**

On January 9, 2015, New Jersey American Water Company ("NJAWC", "Petitioner", or "Company") filed with the New Jersey Board of Public Utilities ("Board") a Petition, Testimony and Exhibits (the "Petition") requesting an increase in operating revenues of approximately \$66.2 million, or approximately 9.96%, over projected test year operating revenues.

On January 23, 2015, this proceeding was transmitted by the Board to the Office of Administrative Law ("OAL") as a contested case. On February 6, 2015, the matter

was assigned to me for a hearing. On February 25, 2015, I conducted a prehearing conference and on March 9, 2015, I issued a prehearing order establishing procedures and hearing dates for the conduct of this case. A First Amended Prehearing Order was issued April 15, 2015.

The signatory parties ("Parties") to this case include Petitioner, the Division of Rate Counsel ("Rate Counsel"), and the Staff of the Board ("Staff"). Motions to intervene filed by the following parties were unopposed: Rutgers, the State University (filed February 9, 2015); Princeton University (filed February 9, 2015); Phillips 66 Company (filed February 9, 2015); Johanna Foods, Inc. (filed February 9, 2015); and Cogen Technologies Linden Venture, L.P. (filed February 19, 2015) (collectively, the "Optional Industrial Wholesale Customer Coalition" or "OIW"); Manasquan Customers Group ("MCG") (filed February 12, 2015); Middlesex Water Company ("Middlesex") (filed February 13, 2015); Township of Haddon (filed February 23, 2015); Mount Laurel Township Municipal Utilities Authority ("MLTMUA") (filed February 25, 2015); Aqua New Jersey, Inc. ("Aqua") (filed April 30, 2015); and City of Elizabeth (filed May 19, 2015). These motions were granted by orders dated April 17, 2015 (as to OIW, Middlesex, MLMUA, MCG and Township of Haddon). By letter dated June 5, 2015 the Township of Haddon withdrew its Motion to Intervene in this proceeding.

Discovery involving approximately 700 requests, many with multiple parts, was answered by the Company.

The Company filed supplemental direct testimony on April 17, 2015.

Evidentiary hearings were scheduled for September 2015. Prior to the commencement of such hearings, the Parties conducted meetings to discuss settlement, and as a result, a Stipulation of Settlement was agreed upon by the Parties. All parties have either executed the Stipulation of Settlement, or have sent letters indicating that they had no objection to the Stipulation of Settlement. A copy of the Stipulation of Settlement is attached to this Initial Decision as Exhibit "A".

I reviewed the record and the terms of the Stipulation of Settlement and **FIND:**

1. The parties to the Stipulation of Settlement have voluntarily agreed to a settlement as evidenced by their signatures. Other parties have indicated that they have no objection to the Stipulation of Settlement.

2. The Stipulation of Settlement has been executed by all parties of record, except for those indicating no objection.

I **CONCLUDE** that this agreement meets the requirements of N.J.A.C. 1:1-19.1, and accordingly, I approve the settlement and **ORDER** that the parties comply with the terms of the settlement and that these proceedings be **CONCLUDED**.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

August 21, 2015

DATE

  
BARRY E. MOSCOWITZ, ALJ

Date Received at Agency:

August 21, 2015

Date Mailed to Parties:

dr