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BOARD OF PUBLIC UTILITIES  
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Jordan S. Mersky  
1025 Laurel Oak Road  
Voorhees, New Jersey 08043  
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P 856.782.2311  
F 856.782.2481

August 24, 2015

**VIA OVERNIGHT MAIL**

Honorable Irene Kim Asbury, Secretary of the Board  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 7<sup>th</sup> Floor  
Trenton, New Jersey 08625

**Re: I/M/O the Joint Petition of New Jersey-American Water Company, Inc.  
and Roxiticus Water Company, Inc. for, Among Other Things, Approval  
of a Change in Control of Roxiticus Water Company, Inc.  
Docket No. WM 15080 982**

Dear Secretary Asbury:

On behalf of New Jersey-American Water Company, Inc., enclosed for filing are an original and eleven (11) copies of the Petition in connection with the matter referenced above. Kindly date/time stamp one copy and return to me in the return overnight mail envelope provided.

Thank you.

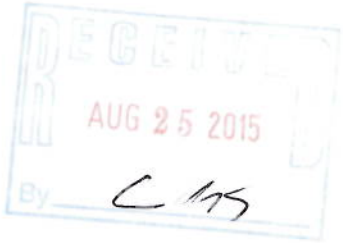
Sincerely,

Jordan S. Mersky, Corporate Counsel

JSM:kac  
Enclosures

cc w/enc.: William F. Ziegler, Esquire  
Division of the Rate Counsel  
Division of Law

CMS  
Legal  
DAE  
RPA  
M. Moran  
M. Kammer  
WATER (6)



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AUG 25 2015

BOARD OF PUBLIC UTILITIES  
MAIL ROOM

STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

-----X  
 IN THE MATTER OF THE JOINT PETITION OF : DOCKET NO. : \_\_\_\_\_  
 NEW JERSEY-AMERICAN WATER COMPANY, INC., :  
 AND ROXITICUS WATER COMPANY, INC., FOR, :  
 AMONG OTHER THINGS, APPROVAL :  
 OF A CHANGE IN CONTROL OF ROXITICUS :  
 WATER COMPANY, INC. :  
 -----X

TO THE HONORABLE COMMISSIONERS OF THE  
NEW JERSEY BOARD OF PUBLIC UTILITIES:

INTRODUCTION

Petitioner New Jersey American Water Company, Inc. ("New Jersey American") by way of this Petition filed pursuant to N.J.S.A. 48:2-51.1 and such other statutes and regulations as may be deemed relevant to this matter, respectfully requests that the New Jersey Board of Public Utilities ("Board") approve the acquisition of control and other matters for which approval is required as described herein. Joint Petitioners New Jersey American and the shareholders of Roxiticus Water Company, Inc. ("Roxiticus") entered into a Bill of Sale, dated as of July 2, 2015 ("Agreement"). The Agreement provides that, subject to obtaining certain regulatory approvals and the satisfaction of certain other conditions, New Jersey American shall acquire all

of the assets of Roxiticus (the "Assets"). The acquisition of the Assets as contemplated under the Agreement is hereinafter referred to as the "Transaction." As a result of such Transaction, New Jersey American will acquire control of the assets of Roxiticus.

As set out below, New Jersey American anticipates that it will close the Transaction as soon as practicable after receiving a Final Order of the Board approving the Transaction. New Jersey American also anticipates that after the closing of the Transaction, it will incorporate the assets of Roxiticus with and into New Jersey American.

#### COMPANIES INVOLVED

1. Petitioner New Jersey American, a corporation of the State of New Jersey, with its principal office located at 1025 Laurel Oak Road, Voorhees, New Jersey 08043, is a regulated public utility organized and operating under the laws of the State of New Jersey. New Jersey American provides service to approximately 613,000 water and fire service customers in 18 counties in the State of New Jersey. New Jersey American currently owns, operates and maintains potable water production, treatment, storage, transmission and distribution systems for the purpose of furnishing potable water for residential, commercial, industrial and governmental users in its service territory; and owns, operates and maintains collection, pumping and collection systems

furnishing wastewater service for residential, commercial, industrial and governmental users in its service territory.

2. Petitioner Roxiticus, a corporation of the State of New Jersey, with its principal office located at 1878 Marlton Pike East, Cherry Hill, New Jersey 08003, is a regulated public utility organized and operating under the laws of the State of New Jersey. South Jersey provides water service to approximately 100 customers in the town of Mendham, Morris County in the State of New Jersey.

#### THE TRANSACTION

3. Under the terms of the Agreement, New Jersey American will acquire from Roxiticus all of the assets of Roxiticus. New Jersey American will continue to be a wholly-owned subsidiary of American Water Works Company, Inc. ("American") and will continue to exist as a New Jersey public utility corporation subject to the jurisdiction and regulation of the Board. Roxiticus will continue to exist but will cease operations as New Jersey public utility corporations and no longer be subject to the jurisdiction and regulation of the Board.

4. Consideration for the purchase of the Assets is THREE HUNDRED THOUSAND DOLLARS (\$300,000.00).

5. The Agreement is conditioned upon the Joint Petitioners obtaining a Final Order of the Board approving the Transaction.

6. It is anticipated that the Transaction will be closed as soon as practicable after the Joint Petitioners receive the Final Order of the Board; and that upon closing of the Transaction, or shortly after the closing, the assets of Roxiticus will be combined with the assets of New Jersey American.

JURISDICTION AND REGULATORY APPROVALS

7. This Petition is being filed pursuant to N.J.S.A. 48:2-51.1. N.J.S.A. 48:2-51.1 provides that any person acquiring or seeking to acquire "control of a public utility directly or indirectly through the medium of an affiliated or parent corporation or organization or through the purchase of shares . . . or through any other manner" shall obtain written approval of the Board.

A. Approval Pursuant to N.J.S.A. 48:2-51.1

8. In considering a request for approval pursuant to N.J.S.A. 48:2-51.1, the Board is required to "evaluate the impact of the acquisition on competition, on the rates of ratepayers affected by the acquisition of control, on the employees of the affected public utility or utilities, and on the provision of safe and adequate utility service at just and reasonable rates." In addressing requests for approval of a change in control pursuant to N.J.S.A. 48:2-51.1, the Board is now using a standard of review that looks to determine that no adverse impact with respect to the four factors referenced above will result from, and, that on

balance, the Transaction will result in positive benefits. This means that in cases of an acquisition of control the Board satisfies itself that there would be no adverse impact on the provision of safe, adequate and proper service at just and reasonable rates and that there would be no adverse impact on the other factors delineated in N.J.S.A. 48:2-51.1. The proposed change in control satisfies the "no harm" standard for the reasons set forth in paragraphs 9 through 12 below. In particular, the Transaction will not adversely impact any of the four factors set forth under N.J.S.A. 48:2-51.1, namely, competition, rates, employees or the provision of safe and adequate utility services at just and reasonable rates by New Jersey American, South Jersey or Pennsgrove. Moreover, the Joint Petitioners will demonstrate that positive benefits will flow as a result of the Transaction.

#### NO ADVERSE IMPACT ON NEW JERSEY AMERICAN

9. The Transaction will have no adverse impact on New Jersey American's existing rates. New Jersey American will continue to operate under its existing Board-approved tariffs and rate structures, until such time as such tariffs and rate structures are revised in accordance with New Jersey law. The Transaction will cause no material changes in the balance sheet or financial position of New Jersey American. All of the outstanding debts of New Jersey American will continue to be liabilities and obligations of New Jersey American.

10. The Transaction will not have an adverse impact on New Jersey American's employees. There will be no change in any existing New Jersey American collective bargaining agreement as a result of this Transaction.

11. New Jersey American will continue to provide safe, adequate and reliable service in fulfillment of its obligations under New Jersey law. Therefore, the Transaction will have no adverse impact on New Jersey American's present or future service levels.

12. The Transaction will not adversely impact competition because after the Transaction is consummated New Jersey American will continue to serve its customers in its current franchise territories. The classic concept of competition for customers does not exist in the regulated water utility industry. New Jersey American will continue to pursue opportunities to provide water service throughout the State, including opportunities to acquire other water systems as those opportunities arise.

NO ADVERSE IMPACT ON ROXITICUS

13. Roxiticus is agreeing to sell all of its assets to New Jersey American in exchange for cash representing the value of those assets. The transaction provides liquidity to the shareholders of Roxiticus. The Transaction will have no adverse impact on the existing Roxiticus rates as New Jersey American will

adopt the existing Board-approved tariffs and rate structures, until such time as such tariffs and rate structures are revised in accordance with New Jersey law. The Transaction will cause no material changes in the balance sheet or financial position of Roxiticus. Indeed, as discussed below, the Transaction will enhance Roxiticus' liquidity. All of the outstanding debts of Roxiticus will continue to be liabilities and obligations of Roxiticus after the closing of the Transaction.

14. Roxiticus has no employees. Therefore, the Transaction will not have an adverse impact regarding this factor for these Joint Petitioners.

15. As stated above, the classic concept of competition for customers does not exist in the regulated water utility industry. The Transaction will not result in the elimination of any entity that traditionally pursued acquisition opportunities in the water industry. Therefore, the Transaction will not have an adverse impact on competition.



### BENEFITS OF THE TRANSACTION

16. The Transaction will have no adverse impact on the criteria delineated in N.J.S.A. 48:2-51.1. To the contrary, the Transaction will promote the public interest and result in the positive benefits as described in paragraphs 17 through 22 below.

17. The need to comply with increasingly stringent water quality and environmental standards, while also rehabilitating and replacing aging water infrastructure, has created substantial demands for capital investment by water utilities. The financial resources and backing of New Jersey American will be a benefit to Roxiticus' customers in the replacement of infrastructure and compliance with the Safe Drinking Water Act.

18. The current and future customers of Roxiticus will benefit from becoming part of the American Water family of companies. New Jersey American's size and scale position it well to be able to address the water needs of Roxiticus customers well into the future. It is often difficult for small water companies to effectively access capital or expertise to plan for and respond to the broad range of issues that face the water industry. New Jersey American, on its own and through American, will provide the customers of Roxiticus with the ability to effectively address their water needs into the future.

19. The customers of Roxiticus will also benefit from becoming part of the largest regulated water utility in the United States. These customers will receive the benefits of industry standard best practices in the areas of planning, research, environmental compliance, water quality, customer service, finance, risk management, operations and service delivery, and management.

20. After the completion of the Transaction customers of Roxiticus will have access to American's customer service call centers to resolve customer service issues.

21. After the closing of the Transaction, customers of Roxiticus will also have access to New Jersey American's customer payment assistance programs - H<sub>2</sub>O Help to Others and Low Income Payment Plan which seek to help customers during times of need.

22. In addition to the specific business-related benefits noted above, New Jersey American has a long history of service in the communities where it operates. The philosophy of corporate responsibility to the communities served is at the core of the New Jersey American's culture, and that philosophy will be continued in the service areas where Roxiticus currently operate.

#### NOTICE AND COMMUNICATIONS

35. The Joint Petitioners are requesting expedited consideration of this matter by the Board so that the Joint

Petitioners can close this Transaction no later than September 1, 2015 so that the benefits of the Transaction can begin to flow to the customers of Roxiticus.

36. A copy of this Petition has been served upon Stefanie Brand, Director, Rate Counsel, and a notice of this filing will be served upon the clerk of the town of Mendham.

37. All correspondence and communications in connection with this proceeding are to be addressed to the following:

On behalf of New Jersey American Water:

Jordan Mersky, Esq.  
New Jersey American Water  
1025 Laurel Oak Road  
Voorhees, NJ 08043  
856-782-2311  
[jordan.mersky@amwater.com](mailto:jordan.mersky@amwater.com)

On behalf of Roxiticus:

William F. Ziegler  
Holston, MacDonald, Uzdavinis;  
Ziegler, Lodge & Myles  
66 Euclid Street  
Woodbury, NJ 08096  
856-848-5858  
[wziegler@holstonlaw.com](mailto:wziegler@holstonlaw.com)

**WHEREFORE**, the Joint Petitioners respectfully request:

A. That the Board issue an Order (i) approving the acquisition of control of the assets of Roxiticus as described

herein as contemplated by the Agreement pursuant to N.J.S.A. 48:2-51.1; (ii) authorizing and approving the an acquisition adjustment and the related journal entries necessary to record the purchase price for the Assets as rate base for New Jersey American; and

B. That the Board handle this matter on an expeditious basis, retain the matter to itself and, if hearings are to be scheduled, it is respectfully requested that a member of the Board sit for the purposes of taking testimony in the proceeding as authorized by N.J.S.A. 48:2-32 so that the Transaction may be closed no later than September 30, 2015; and

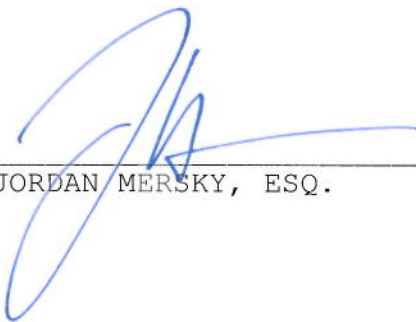
C. That the Board issue a prehearing order establishing the dates for propounding and responding to discovery, dates for public hearing and, if deemed appropriate, the date for evidentiary hearing, as well as dates for filing of Comments or Briefs relating to this matter; and

D. Such other and further relief as the Board may deem appropriate or necessary.

Respectfully submitted,

NEW JERSEY AMERICAN WATER  
COMPANY, INC.  
1025 Laurel Oak Road  
Voorhees, NJ 08043  
856-782-2311

By:



\_\_\_\_\_

JORDAN MERSKY, ESQ.

Dated: August 21, 2015

VERIFICATION

David Monie, being duly sworn according to law, upon his oath, deposes and says:

1. I am the President of Roxiticus Water Company Inc., and am authorized to make this Verification on behalf of that company.

2. I have read the contents of the foregoing Petition and hereby verify that the statements therein contained are true and accurate to the best of my knowledge and belief.

*David R. Monie*

\_\_\_\_\_  
DAVID MONIE

Sworn to and subscribed  
before me this 12<sup>th</sup> day  
of ~~July~~, 2015

*DPM Aug*

*Rachel E Franklin*  
\_\_\_\_\_  
Notary Public



VERIFICATION

William Varley, being duly sworn according to law,  
upon his oath, deposes and says:

1. I am the President of New Jersey American Water  
Company, Inc. and am authorized to make this Verification on  
behalf of that company.

2. I have read the contents of the foregoing Petition  
and hereby verify that the statements therein contained are true  
and accurate to the best of my knowledge and belief.

  
\_\_\_\_\_  
WILLIAM VARLEY

Sworn to and subscribed  
before me this 24<sup>th</sup> day  
of ~~July~~, 2015.

August

  
\_\_\_\_\_  
Notary Public

┌ **MARIANNE L. TAYLOR** ┐  
Notary Public - New Jersey  
My Commission Expires  
September 26, 2015 └

Exhibit A



Prepared By: Jordan S. Mersky, Esq.  
New Jersey-American Water Company, Inc.  
1025 Laurel Oak Road  
Voorhees, NJ 08043

BILL OF SALE

This BILL OF SALE is made on July 2, 2015

BY: Seller: Roxiticus Water Company  
1878 Marlton Pike East Suite 10  
Cherry Hill, NJ 0803

TO: Buyer: New Jersey-American Water Company, Inc.  
1025 Laurel Oak Road  
Voorhees, NJ 08043

In consideration of the mutual covenants contained below and intending to be legally bound, Seller hereby grants assigns and transfers to Buyer and its successors and assigns all of Seller's right, title and interest in and to the Property as defined below.

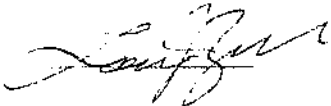
1. **Representations and Warranties.** Roxiticus Water Company represents and warrants that it is now the sole owner of all of the property described in Section 2 below; that it has full right, title and authority to sell the property to Buyer; and that there are no mortgages, liens, claims, interests or other encumbrances of any nature or description affecting such property which will not be satisfied out of the proceeds of closing
2. **Property.** The following property (the "Property") is hereby sold, assigned and transferred by Seller to the Buyer:  
All assets of the Roxiticus Water Company including but not limited to pipe or pipes, with necessary fittings, appurtenances and attached facilities, including laterals and connections (hereinafter collectively "Water Mains") for the transmission and distribution of water, as well as all interconnections, meters, land, rights of ways and easements. In addition, all operating records, distribution maps, asset installation information, customer billing records and metering reading equipment. The following is excluded from the Sale: All accounts receivable of the Seller as of the Sale Date. Following closing the Buyer with the reasonable assistance of Seller shall use its reasonable commercial efforts to collect all accounts receivable which shall be remitted to Seller at the end of the quarter such account receivable is collected.
3. **Transfer of Ownership.** The Seller transfers ownership of the Property to the Buyer free of all liens, claims, interests and encumbrances of any kind. The Seller has received **Three Hundred Thousand Dollars (\$300,000)** in consideration for making this sale, conveyance and transfer.
4. **Promises by Seller.** The Seller promises that no one else has any legal rights in the Property. If anyone claims to have legal rights in the Property, the Seller will defend the

Buyer against the claim and will pay all costs, reasonable attorney fees and damages.

5. **Signatures.** This Bill of Sale may be executed in several counterparts, which shall constitute one and the same instrument.
6. **Entire Agreement.** This Agreement contains the entire agreement between the parties concerning its subject matter, and supersedes and replaces all prior agreements and understandings, oral or written, and may not be modified except in writing executed by both parties.
7. **Successors and Assigns.** This Agreement shall be binding on the parties and their respective successors and assigns.
8. **Governing Law.** This Agreement is to be governed by the laws of the State of New Jersey.
9. **Promises by Buyer.** Buyer represents, warrants and covenants that it is lawfully empowered to execute this agreement and to consummate the transaction contemplated herein and that this agreement shall not violate any tariff or other regulatory framework governing the Buyer. This transaction requires approval of the Board of Public Utilities, and obtaining such approval shall be the responsibility of the Buyer.
10. **Closing.** Closing of the transaction contemplated hereby shall occur no later than September 30, 2015, provided the Closing shall not occur and this Bill of Sale shall not be effective until the Board of Public Utilities shall have approved the proposed transaction.

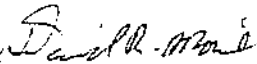
IN WITNESS WHEREOF, the parties hereto have duly executed this BILL OF SALE, all as of the day and year first above written:

WITNESS:



ROKITICUS WATER COMPANY

BY

  
David Monie, President

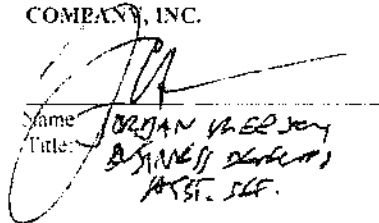
WITNESS:



NEW JERSEY-AMERICAN WATER  
COMPANY, INC.

Name

Title

  
JORDAN V. JOHNSON  
BUSINESS DEVELOPMENT  
MGR. ILL.


Acknowledgement for Corporation

STATE OF NEW JERSEY )  
COUNTY OF CAMDEN ) SS:

On this 23 day of July, 2015 before me personally came to me know,

who being by me duly sworn, did depose and say that s/he is the  
President of Roxbury D. Hill New Jersey American Water Company, Inc., the corporation

described in and which executed the foregoing instrument; that s/he knows the seal of the said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that s/he signed her/his name thereto by like order.

  
Notary Public Rachel Franklin

My Commission Expires: 11/14/2018



Acknowledgement for Corporation

STATE OF NEW JERSEY )  
COUNTY OF CAMDEN ) SS:

On this \_\_\_\_\_ day of \_\_\_\_\_, 2015 before me personally came to me know \_\_\_\_\_

who being by me duly sworn, did depose and say that s/he is the \_\_\_\_\_ of New Jersey-American Water Company, Inc., the corporation described in and which executed the foregoing instrument; that she knows the seal of the said corporation; that the seal affixed to said

Acknowledgement for Corporation

STATE OF NEW JERSEY )  
COUNTY OF CAMDEN ) SS:

On this \_\_\_\_\_ day of \_\_\_\_\_, 2015 before me personally came to me know, Jordan Moskley who being by me duly sworn, did depose and say that s/he is the Asst. Secretary of New Jersey-American Water Company, Inc., the corporation described in and which executed the foregoing instrument; that s/he knows the seal of the said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that s/he signed her/his name thereto by like order.

Notary Public Diane Rouleau

My Commission Expires: 7-2-19  
County of Camden  
State of New Jersey

Acknowledgement for Corporation

STATE OF NEW JERSEY )  
COUNTY OF CAMDEN ) SS:

On this \_\_\_\_\_ day of \_\_\_\_\_, 2015 before me personally came to me know, \_\_\_\_\_ who being by ne duly sworn, did depose and say that s/he is the \_\_\_\_\_ of New Jersey-American Water Company, Inc., the corporation described in and which executed the foregoing instrument; that she knows the seal of the said corporation; that the seal affixed to said