



Agenda Date: 8/14/24  
Agenda Item: 5A

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

WATER

IN THE MATTER OF THE PETITION OF NEW JERSEY- )  
AMERICAN WATER COMPANY, INC. FOR ) ORDER GRANTING MOTION  
AUTHORIZATION TO IMPLEMENT A RESILIENCY AND ) TO INTERVENE  
ENVIRONMENTAL SYSTEM INVESTMENT CHARGE ) DOCKET NO. WR24040240  
FOUNDATIONAL FILING )

**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:<sup>1</sup>

On April 19, 2024, New Jersey-American Water Company, Inc. (“NJAW” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:19-31 (P.L. 2023, c.315), for approval to file and implement an automatic adjustment clause tariff that would establish a Resiliency and Environmental System Investment Charge (“RESIC”) for the recovery of the costs of investments for the period of 2024 through 2027 (“Petition”). By this Decision and Order, the Board disposes of a Motion to Intervene filed on July 23, 2024 by the Mount Laurel Municipal Utilities Authority (“Mount Laurel”) (“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 and collection of wastewater within its defined service territory. The Company provides service to approximately 668,000 water and fire service customers and 64,200 wastewater 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.

On January 16, 2024, Governor Phil Murphy signed L. 2023, c. 315, N.J.S.A. 48:19-29, *et seq.*

---

<sup>1</sup> 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.

("Act"), into law, thereby establishing the "Resiliency and Environmental System Investment Charge Program" for cost recovery of certain investments made by certain utilities and supplementing Title 48 of the Revised Statutes. The Company filed the Petition in accordance with the Act, N.J.A.C. 14:1-5.1, and N.J.S.A. 48:2-21.

By the Petition, the Company sought to establish a RESIC for the recovery of costs of investments related to compliance with requirements addressing both existing and emerging chemical elements or compounds; installation of new plant or equipment or replacement of existing plant or equipment to further, maintain, enhance or improve resiliency, health, safety, or environmental protection for NJAW's customers or employees, or the public; and treatment media and related equipment for both existing and emerging chemical elements and compounds.

The rates proposed in the Petition would increase annual revenues, in increments occurring at approximately six (6) month intervals, by no more than \$28,934,416, which is no more than 2.5% of the Company's annual revenues, which is the current maximum RESIC revenue allowed to be recovered under the Act over the time covered by NJAW's RESIC Foundational Filing, or "cap."<sup>2</sup> As proposed, the Company estimates its RESIC would commence approximately eight (8) months following approval of the Petition, as infrastructure is renewed or replaced, placed in service, and used to provide service to customers.

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

### **MOTION TO INTERVENE**

By the Motion, Mount Laurel explained that it procures water from NJAW as a large use resale customer pursuant to the Company's tariff and will be directly affected by NJAW's requested rate and service increases. Mount Laurel also identified that its interests are distinct from other NJAW customers and that that its intervention would not cause any undue delay or confusion in the docket. The Board received no 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

---

<sup>2</sup> The precise cap amount will be determined in accordance with the final decision in the Company's current base rate case proceeding, BPU Docket No. WR24010056.

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.

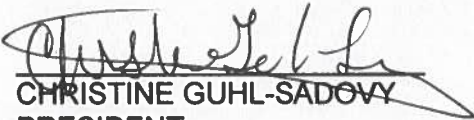
As the Board identified in previous proceedings, application of these standards involves an implicit balancing test. The need and desire for development of a full and complete record, which involves consideration of a diversity of interests, must be weighed against the requirements of the New Jersey 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.<sup>3</sup>

After consideration of the Motion and given the lack of any objections, the Board **HEREBY FINDS**, 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 **FURTHER FINDS** that Mount Laurel has met the standards for intervention in this proceeding. Accordingly, having received no objection, the Board **HEREBY GRANTS** the Motion.

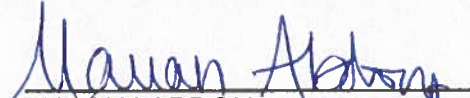
The effective date of this Order is August 21, 2024.


DATED: August 14, 2024

BOARD OF PUBLIC UTILITIES  
BY:

  
CHRISTINE GUHL-SADOVY  
PRESIDENT

  
DR. ZENON 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.

<sup>3</sup> 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 NEW JERSEY-AMERICAN WATER COMPANY, INC.  
FOR AUTHORIZATION TO IMPLEMENT A RESILIENCY AND ENVIRONMENTAL SYSTEM  
INVESTMENT CHARGE FOUNDATIONAL FILING

DOCKET NO. WR24040240

SERVICE LIST

**New Jersey American Water Company**

One Water Street  
Camden, NJ 08102

Christopher M. Arfaa, Esq., Corporate Counsel  
[chris.arfaa@amwater.com](mailto:chris.arfaa@amwater.com)

**Division of Rate Counsel**

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

Brian Lipman, Esq., Director  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Susan McClure, Esq.  
[smclure@rpa.nj.gov](mailto:smclure@rpa.nj.gov)

Christine Juarez, Esq.  
[cjuarez@rpa.nj.gov](mailto:cjuarez@rpa.nj.gov)

Emily Lam, Esq.  
[elam@rpa.nj.gov](mailto: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](mailto:daren.eppley@law.njoag.gov)

Pamela Owen, DAG, Assistant Section Chief  
[pamela.owen@law.njoag.gov](mailto:pamela.owen@law.njoag.gov)

Meliha Arnautovic, DAG  
[meliha.arnautovic@law.njoag.gov](mailto:meliha.arnautovic@law.njoag.gov)

Terel Klein, DAG  
[terel.klein@law.njoag.gov](mailto:terel.klein@law.njoag.gov)

**Board of Public Utilities**

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

Sherri L. Golden, Board Secretary  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Stacy Peterson, Deputy Executive Director  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

**Office of General Counsel**

Carol Artale, Deputy General Counsel  
[carol.artale@bpu.nj.gov](mailto:carol.artale@bpu.nj.gov)

Kit Burnette, Regulatory Officer  
[kit.burnette@bpu.nj.gov](mailto:kit.burnette@bpu.nj.gov)

**Division of Engineering**

Dean Taklif, Director  
[dean.taklif@bpu.nj.gov](mailto:dean.taklif@bpu.nj.gov)

Magdy Mekhaeil  
[magdy.mekhaeil@bpu.nj.gov](mailto:magdy.mekhaeil@bpu.nj.gov)

**Division of Revenue and Rates**

Justin Cederberg  
[justin.cederberg@bpu.nj.gov](mailto:justin.cederberg@bpu.nj.gov)

**Mount Laurel MUA**

Anthony R. Francioso, Esq.  
Fornaro Francioso LLC  
1540 Kuser Road, A-1  
Hamilton, NJ 08619  
[afrancioso@fornarofrancioso.com](mailto:afrancioso@fornarofrancioso.com)