



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
**[www.nj.gov/bpu/](http://www.nj.gov/bpu/)**

WATER

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

ORDER

DOCKET NO. WE07120981

(SERVICE LIST ATTACHED)

BY THE BOARD:

New Jersey-American Water Company, Inc. ("Petitioner", "NJAWC", or "Company") provides water and wastewater service to approximately 606,000 water customers and 28,000 wastewater customers in 180 municipalities located throughout the State. The Company's franchise area includes portions of seventeen of the State's twenty-one counties.

On August 17, 1998, the Township of Hopewell, ("Hopewell" or "Township") adopted Resolution #98-248, which granted Elizabethtown Water Company ("Elizabethtown") a municipal consent to provide water service to certain areas within the Township. By petition dated October 22, 1998, ("1998 Petition") Elizabethtown petitioned the New Jersey Board of Public Utilities ("Board") for approval of the municipal consent (Docket No. WE98101177). The 1998 Petition was subsequently withdrawn by Elizabethtown on May 18, 2005.

After Board approval, Elizabethtown merged with and into NJAWC on December 31, 2006. NJAWC became the successor by merger to all of the rights and obligations of Elizabethtown.

On August 11, 2008, the Hopewell governing body adopted Ordinance No. 08-1434. This Ordinance granted a municipal consent to NJAWC to provide water service to the area contemplated in the 1998 Resolution and planned for the development of the Technology Center of Princeton ("TCP"). As planned, the TCP will incorporate three existing buildings on-site and will construct five additional commercial buildings, resulting in 800,000 square feet of commercial space. Once complete, the TCP is expected to require an average daily demand of 100,000 gallons per day ("gpd") and peak demand of 300,000 gpd. The private well system that is currently on site will be deactivated once service is extended to the TCP.

By letter dated December 28, 2007, the Company filed a petition with the Board pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, for approval of municipal consent granted by the Township through Ordinance No. 08-1434 adopted on August 11, 2008.<sup>1</sup>

A public hearing was held on this matter on July 9, 2008, before Joseph Quirolo, Esq., at the Board's Newark office. No member of the public attended.

By letter dated October 6, 2008, the Department of the Public Advocate, Division of Rate Counsel, filed comments not opposing approval of the Company's petition.

Petitioner currently provides water service to portions of Mercer County where the proposed additional service area is located. Service to this area will be made from the Company's Raritan System. The Raritan System provides an average of 145 million gpd to approximately 208,700 customers in the Raritan System service area in numerous municipalities including Hunterdon, Mercer, Middlesex, Morris, Somerset and Union Counties. Surface and ground water sources supply a total capacity of 250.52 million gpd and 231.5 million gpd of reliable and firm capacity. According to the Company, there will be no impact on its ability to provide safe, adequate and reliable service to the other areas served by the Raritan System.

The TCP is located in State Development and Redevelopment Planning Areas 3, 4 and 5. The Company intends to enter into an agreement with the developer of the TCP obligating the developer to advance funds for the construction of water mains needed to serve the development. Because the project is located in Planning Areas 3, 4, and 5 the developer will not receive refunds for the construction, which will ultimately result in a contribution in aid of construction.

Based on the foregoing and after a review of the record to this proceeding, the Board **HEREBY FINDS** that the extension requested is necessary and proper for the public convenience and properly conserves the public interests, and **HEREBY APPROVES** the Township of Hopewell Ordinance 08-1434, adopted on August 11, 2008, granting a municipal consent to New Jersey-American Water Company, Inc. to provide water service to the described portion of the Township of Hopewell.

The approvals granted, hereinabove, shall be subject to the following provisions:

1. This Order shall not be construed as directly or indirectly fixing for any purposes, whatsoever, the value of any tangible or intangible assets now owned or hereafter to be owned by NJAWC.
2. This Order shall not effect nor in any way limit the exercise of the authority of this Board or of this State, in any future petition or in any future proceeding, with respect to rates, franchise, services, financing, accounting, capitalization, depreciation or in any other matters affecting NJAWC.

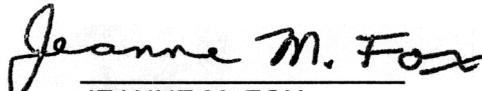
---

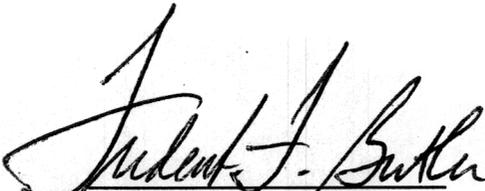
<sup>1</sup> By letter dated October 7, 2008, the Company clarified that its request was seeking approval of the August 11, 2008, Ordinance and not of the August 17, 1998 Resolution.

3. In an appropriate subsequent proceeding, NJAWC shall have the burden of demonstrating whether, and to what extent, any of the costs associated with this petition shall be allocated to ratepayers. Approval of this municipal consent does not include authorization to include in rate base the specific assets that are or will be completed as a result of the addition of the new service territory.
4. Approval of this municipal consent does not constitute approval by the Board of any costs or expenses associated with this petition. Any determination as to the appropriateness or reasonableness of the costs and expenses related to the franchise, including, but not limited to, cost of construction, contributions in aid of construction, depreciation on contributed plant, the cost of connection or any related capital improvements, and the allocation of such costs and expenses, shall be made in an appropriate subsequent proceeding.

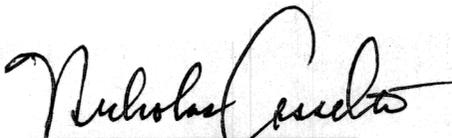
DATED: 10/23/08

BOARD OF PUBLIC UTILITIES  
BY:

  
JEANNE M. FOX  
PRESIDENT

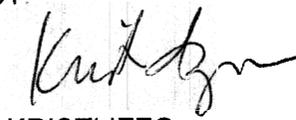
  
FREDERICK F. BUTLER  
COMMISSIONER

  
JOSEPH L. FIORDALISO  
COMMISSIONER

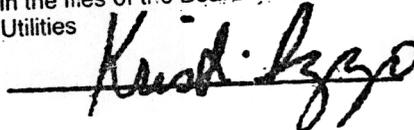
  
NICHOLAS ASSELTA  
COMMISSIONER

  
ELIZABETH RANDALL  
COMMISSIONER

ATTEST:

  
KRISTI IZZO  
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 MUNICIPAL CONSENT GRANTED BY THE TOWNSHIP OF  
HOPEWELL, COUNTY OF MERCER

DOCKET NO. WE07120981

SERVICE LIST

Jordan S. Mersky, Esquire  
New Jersey-American Water Company, Inc.  
P.O. Box 5079  
Cherry Hill, NJ 08034

Stephanie A. Brand, Director  
Debra F. Robinson, Esquire  
Division of Rate Counsel  
31 Clinton Street, 11<sup>th</sup> Floor  
Newark, NJ 07101

Howard J. Woods, Jr.P.E.  
Howard J. Woods, Jr. & Associates  
138 Liberty Avenue  
Newton, PA 18940-1111

Babette Tenzer, DAG  
Dept. of Law & Public Safety  
Division of Law  
124 Halsey St., 5<sup>th</sup> Floor  
Newark, NJ 07101