



Agenda Date: 5/5/20
Agenda Item: VA

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

WATER

IN THE MATTER OF THE PETITION OF NEW)
JERSEY-AMERICAN WATER COMPANY, INC. FOR)
APPROVAL OF INCREASED BASE TARIFF RATES)
AND CHARGES FOR WATER AND WASTEWATER)
SERVICE, AND OTHER TARIFF REVISIONS)
)
) BPU DOCKET NO. WR19121516

Parties of Record:

Bruce V. Miller, Esq., Cullen and Dykman, LLP, on behalf of New Jersey American Water Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On December 16, 2019, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, New Jersey American Water Company (“Company” or “Petitioner”), a public utility of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities (“Board”), filed a petition for authority to increase its base tariff rates and charges for water and wastewater service amounting to approximately \$87.8 million or 12.3% in additional annual revenues. The increase in rates is proposed to become effective on January 15, 2020.¹

The Company provides water service to approximately 652,000 customers and provides wastewater service to approximately 50,000 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.

According to the petition, the proposed rate increase is necessary for the following reasons: (1) to establish an income level which will permit the Company to finance essential and continuing plant investment; (2) to permit Petitioner to earn a fair and adequate rate of return on its net investment in used and useful property; (3) to establish rates which will be sufficient to enable the

¹ By letter dated December 19, 2019, the Company indicated that it would not implement rates on an interim basis prior to the effective date of the Board’s initial suspension order in this matter. However, the Company noted that it did not waive its right to implement the proposed rates at the conclusion of the second suspension period on September 15, 2020, should the Board not issue a final Decision and Order by that date.

Company, under efficient and economical operation, to maintain and support financial integrity and to raise such funds as may be necessary for the proper discharge of its public duties; (4) to offset increases in operating expenses experienced, and to be experienced, by the Company in the course of its operations; (5) to provide earnings sufficient to attract investors and provide sufficient cash flow to fund the Company's operations; and (6) to enable the Company to provide safe, adequate and proper service to its customers.

This matter was transmitted to the Office of Administrative Law on December 19, 2019 and assigned to Administrative Law Judge Gertsman. By Order dated January 8, 2020, the Board suspended the proposed rate increase until May 15, 2020.

After proper notice, public hearings were held on February 18, 19 and 20, 2020 at 4:30 p.m. and 5:30 p.m. in Ocean City, Howell, and Hillsborough, New Jersey, respectively.

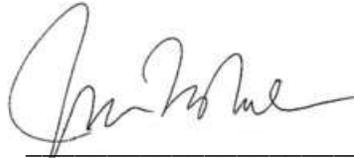
It appearing that the proposed revisions will increase existing rates and change or alter existing classifications in Petitioner's tariff, it is **HEREBY ORDERED** that:

- (1) Pursuant to N.J.S.A. 48:2-21, the proposed revisions be, and are, suspended until September 15, 2020, unless prior to that date, the Board makes a determination disposing of the petition;
- (2) Petitioner shall, at least 10 days prior to the date set for hearing on the petition by the Office of Administrative Law, file with this Board and with the Office of Administrative Law (33 Washington Street, Newark, N.J. 07102), proof of compliance with the notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) Petitioner shall serve copies of this Order upon the Office of Administrative Law, the New Jersey Division of Rate Counsel (140 East Front Street, 4th Floor, Post Office Box 003, Trenton, NJ 08625-0003), the clerk of the affected municipalities, the clerk of the Board of Chosen Freeholders of the affected county and, where appropriate, the executive officer of the affected county within its service area. Service of this petition, notice of hearings and this Order may be made simultaneously. Proof of service of this Order shall be filed with the Board within 15 days of the date of this Order.

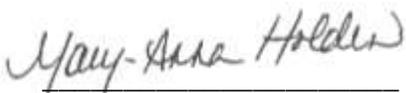
This Order shall be effective on May 15, 2020.

DATED: May 5, 2020

BOARD OF PUBLIC UTILITIES
BY:



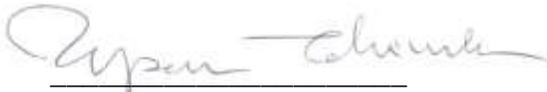
JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

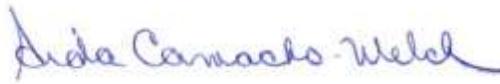


UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

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FOR APPROVAL OF INCREASED TARIFF RATES AND CHARGES FOR WATER AND
WASTEWATER SERVICE, AND OTHER TARIFF REVISIONS
BPU DOCKET NO. WR19121516

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