



Agenda Date: 2/23/22
Agenda Item: 5A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

WATER

IN THE MATTER OF THE PETITION OF NEW)	ORDER DESIGNATING
JERSEY-AMERICAN WATER COMPANY, INC. FOR)	COMMISSIONER, SETTING
APPROVAL OF PROPOSED COST RECOVERY OF)	MANNER OF SERVICE AND
LEAD SERVICE REPLACEMENT PLAN)	BAR DATE
)	
)	DOCKET NO. WR22010017

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Christopher M. Arfaa, Esq., Director, Corporate Counsel, New Jersey-American Water Company, Inc.

BY THE BOARD:

BACKGROUND

On January 14, 2022, New Jersey-American Water Company, Inc. ("N.J.A.W." or "Company"), a public utility corporation engaged in the production, treatment and distribution of water, and collection and treatment of wastewater doing business in portions of the following counties within the State of New Jersey: Atlantic, Bergen, Burlington, Camden, Cape May, Essex, Gloucester, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Salem, Somerset, Union and Warren; filed a petition with the New Jersey Board of Public Utilities ("BPU" or "Board"), seeking approval of its cost recovery plan for the replacement of Company and customer side lead service lines, pursuant to N.J.S.A. 48:2-13, 48:2-16, 48:2-21, and 58:12A-45 and N.J.A.C. 14:1-5.12.¹ By its petition, N.J.A.W. requested expedited treatment of this matter.

¹ Petition, p. 1.

On July 22, 2021, the Governor Phil Murphy L. 2021, c. 183 (“LSLR Law”), into law. The LSLR Law found as follows:

[T]he presence of lead in drinking water represents a threat to the public health, especially the health and development of New Jersey’s children; that pipes containing lead that connect water mains to homes and other buildings, often called lead service lines, are a primary source of lead in drinking water; and that, due in part to the age of New Jersey’s housing, there does not exist a full and complete inventory of all lead service lines in the State.

The Legislature therefore declares that public water systems should fully inventory all service lines and gradually replace all lead service lines, portions of which may exist on private property; and that, given the risk to public health and the resulting social costs that lead exposure imposes upon society as a whole, it is in the public interest that each public water system be obligated to replace lead service lines, including those that exist on private property, and be authorized to recoup the costs of lead service line replacements from all subscribers of the public water system.

[N.J.S.A. 58:12-40.]

The LSRL Law also requires that “[i]n order to recoup the costs of lead service line replacements from its customers . . . an investor-owned public community water system shall submit to the board, for approval at its next general rate case proceeding, a petition that includes a proposal for cost recoupment.” N.J.S.A. 58:12A-45(b).

To that end, the Company submitted the petition including a proposal for cost recoupment to replace lead service lines for consideration by the Board. The Company also filed a base rate case at the same time as this matter, in order to comply with the LSLR Law.² The base rate case has been transmitted to the Office of Administrative Law, for consideration as a contested case, pursuant to N.J.A.C. 1:1-3.2(a) and 1:14-8.1.

DISCUSSION AND FINDINGS

In order to effectuate an expeditious decision in this matter, the Board has determined that the petition should be retained by the Board for hearing. Accordingly, pursuant to N.J.S.A. 48:2-32, the Board **HEREBY DESIGNATES** Commissioner Mary-Anna Holden as the presiding officer with authority to rule on all motions that arise during the pendency of this proceeding and to modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues. Further, the Board **HEREBY DIRECTS** that any entity seeking to intervene or participate in this matter file the appropriate application with the Board on or before March 25, 2022. Any party wishing to file a motion for admission of counsel, pro hac vice, should do so concurrently with any motion to intervene or participate.

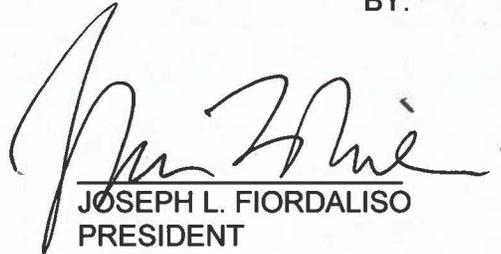
²In re the Petition of New Jersey-American Water Company, Inc. for Approval of Increased Tariff Rates and Charges for Water and Wastewater Service, and Other Tariff Modifications, BPU Docket No. WR22010019.

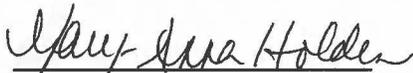
In addition, pursuant to the Order in I/M/O The New Jersey Board of Public Utilities' Response to the Covid-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254 (June 10, 2020) all parties are **HEREBY DIRECTED** to serve all documents electronically. No hard copies shall be filed until the Board lifts the restrictions imposed in that Order. The Board **HEREBY DIRECTS** Staff to post this Order to the Board's website.

The effective date of this Order is March 2, 2022.

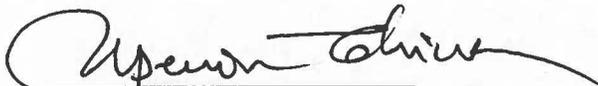
DATED: February 23, 2022

BOARD OF PUBLIC UTILITIES
BY:


JOSEPH L. FIORDALISO
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COMMISSIONER


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COMMISSIONER


UPENDRA J. CHIVUKULA
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COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE PETITION OF NEW JERSEY-AMERICAN WATER COMPANY, INC.
FOR APPROVAL OF PROPOSED COST RECOVERY OF LEAD SERVICE REPLACEMENT
PLAN - DOCKET NO. WR22010017

SERVICE LIST

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