

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).

On December 23, 2022, Aqua filed a petition that, which among other things, requested the Board to authorize it to defer the costs to replace non-Company side Lead Service Lines (“LSLs”) as a regulatory asset pending the Board’s decision regarding the same in the Company’s next rate case filing (“Petition”). The Company also stated that it would identify those costs it intends to recover through its Distribution System Improvement Charge (“DSIC”) foundational filing, which the Board approved at its December 21, 2022 public agenda meeting. The Petitioner stated that this will enable it to meet its mandated 10% replacement schedule and to replace non-company side LSLs quicker. Aqua further stated that this also will ensure compliance with the legal requirements for cost recovery regarding the replacements of non-company-side of the LSLs. Specifically, Aqua is requesting to defer the total cost of (a) the replacements customer/property owner-side LSLs notifications (N.J.S.A. 58:12A-45) and (b) including interest [N.J.S.A. 58:12A-45(2)]. The Petitioner stated that it intends to recover the following in its DSIC: (a) the costs of Company-owned LSLs replacements since inception (b) total costs of customer notifications (N.J.S.A. 58:12A-43) (c) the costs of inventorying premises which require excavation [N.J.S.A. 58:12:A-42f.(2)] in the event all normal methods of determining the composition of a service line have been exhausted and (d) other incremental costs have been exhausted. Aqua further proposed that the costs associated with the replacement of the portions of an LSL that are customer-owned be treated as an operation and maintenance cost to be recovered from the Company’s customers, pursuant to the LSL legislation, as part of the rate case process.

DISCUSSIONS 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** Dr. Zenon Christodoulou 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 file a motion for admission of counsel, pro hac vice or to file a motion to intervene or to participate in this matter file the appropriate application with the Board on or before March 31, 2023.

In addition, all parties are **HEREBY DIRECTED** to serve all documents electronically. The Board **HEREBY DIRECTS** Staff to post this Order to the Board’s website.

The effective date of this Order is March 13, 2023.

DATED: March 6, 2023

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER



DR. ZENON CHRISTODOULOU
COMMISSIONER

ATTEST: 
CARMEN D. DIAZ
ACTING 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 AQUA NEW JERSEY INC. FOR APPROVAL TO
DEFER CERTAIN COSTS RELATED TO THE REPLACEMENT OF LEAD SERVICE LINES
AND OTHER RELATED APPROVALS

DOCKET NO. WR22120745

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