



Agenda Date: 3/20/24
Agenda Item: VA

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

WATER

IN THE MATTER OF THE PETITION OF VEOLIA)
WATER NEW JERSEY INC. FOR APPROVAL OF AN)
INCREASE IN RATES FOR WATER/SEWER)
SERVICE AND OTHER TARIFF CHANGES)
)
) BPU DOCKET NO. WR23110790
) OAL DOCKET NO. PUC 13875-23

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Stephen B. Genzer, Esq., Saul Ewing Arnstein and Lehr, LLP, on behalf of Veolia Water New Jersey, Inc.
Anthony P. D’Elia, Esq., Norris McLaughlin, P.A., on behalf of Gordon’s Corner Water Company

BY THE BOARD:

On November 9, 2023, Veolia Water New Jersey, Inc. (“Veolia” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking approval of an increase in its base water rates of approximately \$63.926 million, or 19.57%, for services rendered on and after December 9, 2023 (“Petition”).

Veolia is engaged in the businesses of collecting, treating, and distributing water for retail and wholesale service and treating wastewater for approximately 260,000 customers located in portions of Bergen, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Sussex, and Warren Counties.

By the Petition, the Company indicated that it would implement its proposed rates on August 9, 2024, on an interim basis pursuant to law, applicable regulations, and Board policy if the Board suspended the effective date of the proposed rates pursuant to N.J.S.A. 48:2-21 but did not finally determine a new just and reasonable tariff prior to that date.

According to the Petition, the Company’s request is largely driven by continuing increases in the Company’s investment in its rate base and operating expenses, which include substantial capital expenditures necessary to continue to provide safe, adequate, and proper water service and to comply with State and federal regulations.

By the Petition, Veolia seeks the Board's review and approval of the following:

- a. To increase rates to produce additional revenues of approximately \$63,926,032, or approximately 19.57% above the annual level of present rate revenues for the test year period ending March 31, 2024, utilizing a return on equity of 10.30%;
- b. To incorporate the roll-in of current Distribution System Improvement Charge Investment into current rates;
- c. To utilize the results of a cost-of-service analysis as a basis of setting rates in this matter;
- d. To revise the Company's tariffs to reflect the requests in the Petition;
- e. To recognize certain accounting changes related to the Tax Cuts and Jobs Act.

By Order dated December 6, 2023, the Board suspended the proposed rate increase until April 9, 2024, and transmitted the matter to the Office of Administrative Law ("OAL") as a contested case.¹ The matter was assigned to Administrative Law Judge ("ALJ") Thomas R. Betancourt.

On December 27, 2023, Gordon's Corner Water Company filed an unopposed Motion to Intervene ("Motion") in this matter. By Order dated December 28, 2023, ALJ Betancourt granted the Motion.

Because review of this matter will not be complete on or before April 9, 2024, and the proposed revisions, if approved, will likely increase existing rates and change or alter existing classifications in the Petitioner's tariff, it is **HEREBY ORDERED** as follows:

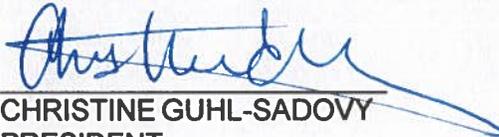
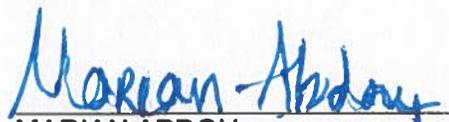
- (1) Pursuant to N.J.S.A. 48:2-21(d), and consistent with N.J.A.C. 14:1-5.12, the proposed revisions are further suspended until August 9, 2024, unless prior to that date the Board makes a determination disposing of the Petition or enters an Order further suspending the proposed revisions;
- (2) Veolia shall, at least 10 days prior to the date set for hearing on the Petition by the OAL, file with this Board, and with the OAL, 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) Veolia shall serve copies of this Order upon the OAL, the Division of Rate Counsel (140 East Front Street, 4th Floor, Post Office Box 003, Trenton, N.J. 08625), the clerk of each affected municipality, the clerk of the Boards of County Commissioners of each affected county, and, where appropriate, the executive officer of the affected county within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously. Proof of service of this Order shall be filed with the Board.

¹ In re the Petition of Veolia Water New Jersey Inc. for Approval of an Increase in Rates for Water/Sewer Service and Other Tariff Changes, Order Suspending Increases, Changes or Alterations in Rates for Water Service, BPU Docket No. WR23110790, Order dated December 6, 2023.

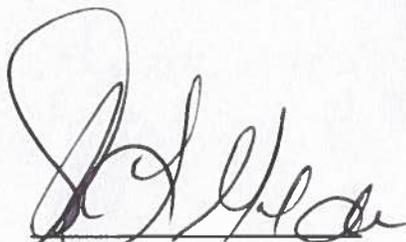
This Order shall be effective on March 27, 2024.

DATED: March 20, 2024

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT
DR. ZENON CHRISTODOULOU
COMMISSIONER
MARIAN ABDOU
COMMISSIONER
MICHAEL BANGE
COMMISSIONER

ATTEST:


SHERRI L. GOLDEN
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 VEOLIA WATER NEW JERSEY INC. FOR APPROVAL OF AN INCREASE
IN RATES FOR WATER/SEWER SERVICE AND OTHER TARIFF CHANGES

BPU DOCKET NO. WR23110790

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