



Agenda Date: 8/13/25
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)	ORDER APPROVING
WATER NEW JERSEY, INC. FOR APPROVAL TO)	MUNICIPAL CONSENT
EXPAND ITS FRANCHISE AREA IN THE)	
TOWNSHIP OF VERNON IN THE COUNTY OF)	
SUSSEX, STATE OF NEW JERSEY)	DOCKET NO. WO25020098

Parties of Record:

Brian J. Yarzab, Esq., Corporate Counsel, Veolia Water New Jersey, Inc.
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board") considers a petition filed by Veolia Water New Jersey, Inc. ("Veolia" or "Company") on February 27, 2025, pursuant to N.J.A.C. 14:1-5.1, N.J.A.C. 14:1-5.5, and other related statutes and regulations, seeking approval of Municipal Consent Ordinance No. 24-16 ("Municipal Consent") adopted on December 9, 2024 by the Township of Vernon, County of Sussex ("Township" or "Vernon") allowing the Company to provide water service to certain properties in the Township ("Proposed Franchise Area") and to lay pipes and install other utility facilities as may be necessary ("Petition").¹ The Company also sought authority to incorporate the Proposed Franchise Area into the Company's tariff, setting forth the Company's expanded service area.

BACKGROUND

Veolia is a regulated public utility corporation engaged in the business of collecting, treating and distributing water for retail service and wastewater collection and treatment services to approximately 262,000 water customers and approximately 6,300 sewer customers located in portions of Bergen, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Sussex, and Warren counties.

The Company currently holds a franchise to provide water service to certain parts of the Township. By the Municipal Consent, the Township permitted the Company to expand its provision of water service to the Proposed Franchise Area and to access public streets and places as necessary for

¹ Ordinance No.24-16 is attached to this Order as Exhibit A.

the construction and maintenance of water facilities for the purpose of providing water service to the Proposed Franchise Area.

PETITION

By the Petition, Veolia sought Board approval of the Municipal Consent authorizing the Company to expand its franchise to provide water service within the Township. Veolia indicated that this expansion is necessary and proper for public convenience and properly serves the public interest. The Company further stated that the expansion is necessary to ensure that the residents and businesses within Vernon Town Center have access to the essential services provided by the Company.

Veolia noted that it's not seeking the Board's determination on any ratemaking treatment relative to the Proposed Franchise Area as there will be no increase in rates at this time.

On May 20, 2025, following proper notice to the public, a virtual public hearing was held on the Petition and presided over by a hearing officer of the Board. Representatives from the Company, the New Jersey Division of Rate Counsel ("Rate Counsel"), and Board Staff ("Staff") appeared. No members of the public attended, and the Board received no written public comments on this matter.

By letter dated May 27, 2025, Rate Counsel submitted comments on the Petition noting that, subject to certain conditions, it did not oppose the Municipal Consent. However, Rate Counsel expressed concerns that Veolia's right to provide water service, as granted by the Municipal Consent, is perpetual. Rate Counsel also stated that the Municipal Consent fails to comply with the fifty (50) year limit on the duration of the consent to lay pipes in public places set forth in N.J.S.A. 48:3-15. Therefore, Rate Counsel recommended that the Board modify the term of the Municipal Consent to be limited to fifty (50) years for the specific authorization to provide water service and to access public streets and places within the Township under N.J.S.A. 48:3-15. Rate Counsel stated that its recommended provisions would satisfy its concerns that Veolia complies with the proper statutory framework, that Board approval is limited to the specific approvals requested, and that there is no authorization to include any specific assets or amounts in rate base, nor authorization for any other ratemaking treatment.

DISCUSSION AND FINDINGS

No municipality or other political subdivision of the State may grant a privilege or franchise to any public utility unless approved by the Board. N.J.S.A. 48:2-14. The Board should grant approval when, after hearing, the Board determines the franchise is necessary and proper for the public convenience and properly conserves the interests of the public. Ibid. The Board may impose conditions on its approval as the public convenience and interest may require. Ibid.

The Board, having reviewed the Petition and the entire record in this matter, **HEREBY FINDS** the Municipal Consent is necessary and proper for the public convenience and properly conserves the public interest.

Accordingly, the Board **HEREBY APPROVES** the Municipal Consent for the expansion of Veolia's service territory to include the customers in the Proposed Franchise Area. The Board **FURTHER FINDS** that the Company has the ability to provide safe, adequate, and proper service in the Proposed Franchise Area. The approvals granted hereinabove shall be subject to the following provisions:

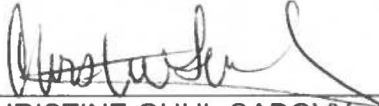
1. This Order shall not affect or in any way limit the exercise of the authority of the Board, or of the State, with regard to any future petition or in any proceeding with respect to rates, franchises, service, financing, accounting, capitalization, depreciation, or in any matter affecting the Company.
2. This Order shall not be construed as directly or indirectly fixing, for any purposes whatsoever, any value of any tangible or intangible assets or liabilities now owned or hereafter to be owned by the Company.
3. Veolia shall not depreciate any portion of the water system expansion that is funded by Contributions in Aid of Construction.
4. Pursuant to N.J.S.A. 48:3-15, the Municipal Consent for the use of streets is limited to a term of fifty (50) years from the effective date of this Order. In order to ensure periodic municipal and Board review, the term of the Company's authority to provide water service under N.J.S.A. 48:2-14 shall be limited to the same period as the Company's authority for the use of streets.
5. Nothing in this Order shall constitute Board approval of the rates to be paid by customers in the Township. Any rates represented by the Company are not guaranteed and the Board has the authority to set rates at an amount it deems just and reasonable as part of the next base rate case filed by the Company, regardless of any representations made by the Company to the Township or its residents.
6. Approval of the Municipal Consent does not constitute approval of any specific main extension or plan for service. In extending service, the Company must comply with all applicable laws.
7. Staff is authorized to approve, subject to comments filed by Rate Counsel, any written request by the Company for additional time to comply with any applicable terms set forth in this Order.

Additionally, the Board **HEREBY APPROVES** the proposed revisions to the Company's tariff setting forth the Company's expanded service area. The Company is **HEREBY DIRECTED** to file revised tariff sheets within ten (10) days of the effective date of this Order.

This Order shall be effective on August 20, 2025.

DATED: August 13, 2025

BOARD OF PUBLIC UTILITIES
BY:


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

ATTEST:


SHERRI L. LEWIS
BOARD 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 TO EXPAND ITS
FRANCHISE AREA IN THE TOWNSHIP OF VERNON IN THE COUNTY OF SUSSEX, STATE OF NEW JERSEY

DOCKET NO. WO25020098

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TOWNSHIP OF VERNON

ORDINANCE #24-16

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE TOWNSHIP OF VERNON, IN THE COUNTY OF SUSSEX, STATE OF NEW JERSEY, PROVIDING FOR THE MUNICIPAL CONSENT OF THE TOWNSHIP FOR VEOLIA WATER NEW JERSEY, INC. TO PROVIDE WATER SERVICE TO CERTAIN PROPERTIES IDENTIFIED ON EXHIBIT A ANNEXED HERETO IN THE TOWNSHIP OF VERNON AND FOR THE LAYING OF PIPES AND THE INSTALLATION OF OTHER UTILITY FACILITIES AS MAY BE NECESSARY.

WHEREAS, the properties identified on Exhibit A annexed hereto on the Township of Vernon Tax Assessment Map (the "Properties") are either vacant or have historically received water service from wells and the Township desires to connect said Properties to the public water supply; and

WHEREAS, the Township of Vernon also is desirous of spurring economic development, redevelopment, and capital investment into the area and the properties included within the requested franchise expansion area; and

WHEREAS, the provision of water services to these Properties is in the best interest of the Township and its citizens; and

WHEREAS, Veolia Water New Jersey, Inc., ("Veolia") is a New Jersey Public utility corporation providing water service to certain areas within the State of New Jersey, including within other Properties within the Township of Vernon;

WHEREAS, Veolia desires to secure the consent of the Borough to (i) provide water service to the Properties, and (ii) to lay water pipes beneath such public roads, streets, alleys and places adjacent thereto as it may deem necessary for its corporate purpose to provide water service to the Property.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Council of the Township of Vernon in the County of Sussex and the State of New Jersey as follows:

Section 1.

1. Veolia is hereby given the consent and permission of the Township of Vernon to provide water service to the Properties identified on Exhibit A annexed hereto, and to lay, maintain and relay its water pipes, mains, connections, apparatus and appurtenances beneath such public roads, streets, alleys and places as it may deem necessary in the future for its corporate purposes, subject to such additional approvals or consents the law may require, within the lands and premises hereinafter designated

and under all public roads, streets, alleys, or places abutting same for the purpose of providing water service to:

All those tracts or parcels of lands shown on the Tax Assessment Map of The Township of Vernon as identified on Exhibit A, annexed hereto.

2. The consent granted by this Ordinance is made expressly subject to the following conditions:
 - a. In the event that the Township of Vernon shall hereafter lawfully elect to alter or change the grade of any street, alley or other public way within its jurisdiction, Veolia shall upon reasonable notice by the Township, remove, relay or relocate its water mains, service pipes, manholes and other fixtures at its own expense.
 - b. In case of any disturbance of pavement, sidewalk, driveway or other surfacing of any public street, road, highway or other public places cause by Veolia, Veolia shall, at its own costs and expense and in a manner required by the Township Code and as approved by the Township Engineer, replace and restore all paving, sidewalks, driveways and other surfaces of any street, road, highway or other public places disturbed in as good condition as before said work was commenced;
 - c. This consent shall take effect upon the approval of the Board of Public Utilities as required by law.

Section 2. Should any part, portion or provision of his ordinance be held unconstitutional or invalid, such decision shall not affect the validity of this ordinance as a whole, or any other part thereof.

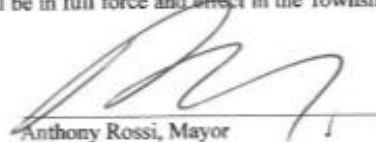
Section 3. All ordinances or parts of ordinances inconsistent herewith are hereby repealed.

Section 4. This ordinance shall take effect immediately upon publication and final passage according to law.

CERTIFICATION

This is to certify that the above Ordinance was introduced and passed on first reading at the Meeting of the Township Council held on November 14, 2024, and the same came up for final passage and was adopted at the Meeting of the Township Council held on December 9, 2024 at which time all persons interested were given an opportunity to be heard. The above ordinance will be in full force and effect in the Township of Vernon according to law.


Marcy Giannattasio, Clerk
Township of Vernon


Anthony Rossi, Mayor

Township of Vernon

INTRODUCED: November 14, 2024

NAME	M	S	YES	NO	ABSTAIN	ABSENT
Buccieri, N.					X	
DeBenedetto, J.						X
Higgins, W.		X	X			
Sparta, B.	X		X			
Rizzuto, P.			X			

ADOPTED: December 9, 2024

NAME	M	S	YES	NO	ABSTAIN	ABSENT
Buccieri, N.					X	
DeBenedetto, J.		X	X			
Higgins, W.			X			
Sparta, B.	X		X			
Rizzuto, P.			X			