



Agenda Date: 9/10/25

Agenda Item: VB

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 PETITION OF VEOLIA)	ORDER APPROVING MUNICIPAL
WATER NEW JERSEY, INC. FOR APPROVAL OF)	CONSENT
MUNICIPAL CONSENT TO OWN AND OPERATE)	
A WATER SYSTEM IN MANALAPAN TOWNSHIP)	
AND THE ISSUANCE OF REVISED TARIFF)	
SHEETS TO SET FORTH ITS EXPANDED)	
SERVICE AREA AND RATES FROM THE)	
TRANSFER OF WATER ASSETS BY)	DOCKET NO. WE25030177
MANALAPAN TOWNSHIP TO VEOLIA WATER)	
NEW JERSEY, INC.)	

Parties of Record:

Bryant Gonzalez, Esq., on behalf of Veolia Water New Jersey, Inc. V
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. ("VWNJ" or "Company") on March 28, 2025, pursuant to N.J.S.A. 48:2-14, N.J.A.C. 14:1-5.5, and N.J.A.C. 14:1-5.11, for approval of a municipal consent granted by the Township of Manalapan, County of Monmouth ("Township") on February 26, 2025 via Ordinance No. 2025-01 ("Municipal Consent") ("Petition").¹ The Company also sought authority to incorporate into the Company's tariff the portion of the Township to which VWNJ was authorized to provide service via the Municipal Consent ("Franchise Area").²

BACKGROUND AND PROCEDURAL HISTORY

VWNJ 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

¹ Ordinance No. 2025-01 is attached to this Order as Exhibit A.

² A map of the Franchise Area was attached as Exhibit A-1 to the Municipal Consent. The map of the Franchise Area is included as part of Exhibit A to this Order.

and Warren Counties

On April 23, 2024, the Township issued a Request for Bids for the sale of the Township's water utility system assets ("System"). On June 4, 2024, VWNJ submitted the prevailing bid to purchase the System. The sale was contingent upon approval of the Township's voters which occurred on November 5, 2024, whereby the voters approved the referendum. The Township approved the sale of the System to VWNJ via the Municipal Consent.

The Municipal Consent was granted to authorize the provision of water service to the portion of the municipality presently served by the Township's water system. The Municipal Consent additionally grants VWNJ consent to construct and maintain water facilities and provide water service, as defined in N.J.S.A. 48:19-17 and N.J.S.A. 48:19-20, within the Franchise Area. The Municipal Consent also allows access to public streets and places within the Franchise Area for these purposes.

PETITION

By the Petition, the Company seeks Board approval of the Municipal Consent issued by the Township and approval of changes to the Company's tariff reflecting the expansion of VWNJ's service territory to the Franchise Area in the Township. The Company also sought to transition from quarterly to monthly billing, with the change occurring progressively, as determined by the Company to meet the needs of the customers. Furthermore, the Company sought approval for the recovery of the costs associated with this transaction in its next base rate case proceeding as provided in the proposed journal entries in Exhibit E of the Petition.

Pursuant to the Petition, VWNJ intends to maintain the Township's current rates as provided in the proposed tariff sheets in Exhibit D of the Petition.

By the Petition, in the event of an emergency, VWNJ would follow similar procedures and protocols of its existing operations. Emergencies would be addressed through the Company's customer call center. In addition, the expansion of the Company's service territory to include the Franchise Area will not impose any negative impacts on current VWNJ customers or VWNJ's ability to provide safe and adequate service. The franchise expansion and transfer will allow VWNJ, a company with extensive resources, to use its knowledge, expertise and access to capital to operate the System in a way that will ensure safe and dependable service to its customers and moderate future rate impacts.

On June 10, 2025, a duly noticed municipal consent hearing on the Company's Petition was held via teleconference. No members of the public attended and no written comments from the public were submitted.

By letter dated June 23, 2025, the New Jersey Division of Rate Counsel ("Rate Counsel") submitted its comments to the Petition and stated that, subject to certain conditions, it is not opposed to the request for approval of the Municipal Consent. 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 within the Township. In addition, Rate Counsel also recommended that the Board specify that transaction costs cannot be recovered in rates; namely, that there be no authorization to include any specific assets or amounts in rate base, or 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 VWNJ's service territory to include customers in the Franchise Area within the Township. The Board **HEREBY FINDS** that the Municipal Consent is necessary and proper for the public convenience and properly conserves the public interest, and that the Company has the ability to provide safe, adequate and proper service in the Franchise Area. The approvals granted herein shall be subject to the following provisions:

1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever any value of any tangible or intangible assets now owned or hereafter to be owned by the Company.
2. This Order shall not affect nor in any way limit the exercise of the authority of this Board or of this State, in any future Petition or in any proceedings with respect to rates, franchises, service, financing, accounting, capitalization, depreciation, or in any other matter affecting the Company.
3. The Company shall not depreciate the portion of the water system expansion that is funded by Contributions in Aid of Construction.
4. As required by 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 municipal consent to provide water service under N.J.S.A. 48:2-14 is limited to the same period as the municipal consent for the use of streets and other places.
5. This Order applies only to the approval of the Municipal Consent and shall not be construed as approving any ratemaking issues.
6. Nothing in this Order shall constitute Board approval of the rates to be paid by customers in the Franchise Area within 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.
7. Approval of this Municipal Consent does not constitute approval of any specific main extension or plan for service. In extending service, VWNJ must comply with all applicable laws.

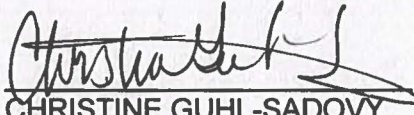
8. Board Staff is authorized to approve, subject to comments filed by Rate Counsel, any written request by the Company for additional time to comply with any applicable items above.

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 closing of the sale of the System.

This Order shall be effective on September 17, 2025.

DATED: September 10, 2025

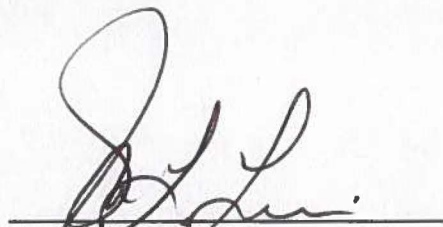
BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST:


SHERRIL 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 PETITION OF VEOLIA WATER NEW JERSEY, INC. FOR THE APPROVAL OF MUNICIPAL CONSENT TO OWN AND OPERATE A WATER SYSTEM IN MANALAPAN TOWNSHIP AND THE ISSUANCE OF REVISED TARIFF SHEETS TO SET FORTH ITS EXPANDED SERVICE AREA AND RATES FROM THE TRANSFER OF WATER ASSETS BY MANALAPAN TOWNSHIP TO VEOLIA WATER NEW JERSEY, INC.

DOCKET NO. WE25030177

SERVICE LIST

Veolia Water New Jersey

461 From Road, Suite 400
Paramus, NJ 07652

Maryanne Hatch, Vice President

maryanne.hatch@veolia.com

Katherine Arp

katherine.arp@veolia.com

Bryant Gonzalez, Esq.

bryant.bonzalez@veolia.com

Alan Weland

alan.weland@veolia.com

James Mastrokalos

james.mastrokalos@veolia.com

Debra Visconti

Debra.visconti@veolia.com

Elda Gil

Elda.Gil@veolia.com

Division of Rate Counsel

140 East Front Street, 4th Floor
Trenton, NJ 08625-0003

Brian Lipman, Esq., Director

blipman@rpa.nj.gov

Susan McClure, Esq., Managing Attorney

smcclure@rpa.nj.gov

Christine Juarez, Esq.

cjuarez@rpa.nj.gov

Megan Lupo, Esq.

mlupo@rpa.nj.gov

Felecia Jackson-Rodgers

frodgers@rpa.nj.gov

Board of Public Utilities

44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350

Sherri L. Lewis, Board Secretary

board.secretary@bpu.nj.gov

Stacy Peterson, Deputy Executive Director

stacy.peterson@bpu.nj.gov

Division of Engineering

Dean Taklif, Director

dean.taklif@bpu.nj.gov

John Masiello, Deputy Director

john.masiello@bpu.nj.gov

Magdy Mekhaeil

magdy.mekhaeil@bpu.nj.gov

Alysabeth Gaito

alysabeth.gaito@bpu.nj.gov

Counsel's Office

Ava-Marie Madeam, General Counsel

avamarie.madeam@bpu.nj.gov

Elsbeth Faiman Hans, Deputy General Counsel

elsbeth.hans@bpu.nj.gov

Kit Burnette, Associate Counsel

kit.burnette@bpu.nj.gov

Division of Law

R.J. Hughes Justice Complex, 7th Floor
25 Market Street, P.O. Box 112
Trenton, N.J. 08625

Pamela L. Owen, Assistant Section Chief, DAG

pamela.owen@law.njoag.gov

Meliha Arnautovic, DAG

meliha.arnautovic@law.njoag.gov

Terel Klein, DAG

terel.klein@law.njoag.gov

Exhibit A

TOWNSHIP OF MANALAPAN

ORDINANCE NO. 2025-01

Adopted February 26, 2025

AN ORDINANCE GRANTING CONSENT AND PERMISSION TO VEOLIA WATER NEW JERSEY, INC., TO FURNISH WATER SERVICE IN MANALAPAN TOWNSHIP, NEW JERSEY

WHEREAS, Manalapan Township, County of Monmouth and State of New Jersey (the "Township"), hereby grants consent and permission to Veolia Water New Jersey, Inc., "Veolia", a New Jersey Corporation to furnish water service within the Township (collectively the "System"); and

WHEREAS, Veolia is in the process of acquiring the System, which has been approved by the voters of the Township on November 5, 2024, pursuant to N.J.S.A. 40:62-5; and

WHEREAS, the Township is desirous of having Veolia acquire the System; and

WHEREAS, Veolia is a regulated public utility corporation of the State of New Jersey presently seeking the municipal consent of the Township to permit Veolia to provide water service through the System; and

WHEREAS, Veolia has requested the consent of the Township as required by N.J.S.A. 48:19-17 and 48:19-20, as amended, to, within the Franchise Area (as defined below), lay its pipes beneath and restore such public roads, streets and places as it may deem necessary for its corporate purposes, free from all charges to be made for said privilege (except that fees for road opening permits shall be paid), provided that all said pipes installed after the date of this ordinance shall be laid at least three feet (3') below the surface and shall not in any way unnecessarily obstruct or interfere with the public travel or cause or permit other than temporary damage to public or private property; and

WHEREAS, it is deemed to be in the best interests of the citizens of the Township to provide this consent; and

WHEREAS, notice of this Ordinance was published in accordance with the requirements of N.J.S.A. 48:3-13 and N.J.S.A. 48:3-14; and

WHEREAS, the Township Committee has concluded that granting of said consent shall enhance the health, safety and welfare of the citizens of the Township.

NOW THEREFORE, BE IT ORDAINED BY THE TOWNSHIP COMMITTEE AS FOLLOWS:

Section 1. That exclusive and perpetual consent and permission to furnish water services within the Manalapan Township Water System Franchise area (as set forth in Exhibit A-1 hereto) (the "Franchise Area") to the Township and all residents, businesses and government buildings therein is hereby given and granted to Veolia, its successors and assigns for the maximum duration permitted by law, subject to the permission by the Board of Public Utilities of the State of New Jersey.

Section 2. That exclusive consent and permission is given to Veolia, its successors and assigns, under the provisions of N.J.S.A. 48:19-17 and N.J.S.A. 48:19-20, as amended, without charge therefore, (except fees for road opening permits which shall be paid) as the same may be required in order to permit Veolia to own and operate the System, add to, extend, replace, operate and maintain said System in the Franchise Area in order to provide said water service. This shall include permission to lay pipes beneath the public roads, streets, public property and public places in the Franchise Area.

Section 3. That a certified copy of this Ordinance, upon final passage, shall be sent to Veolia, the New Jersey Department of Environmental Protection and the Board of Public Utilities of the State of New Jersey.

Section 4. That the consent granted herein shall be subject to Veolia complying with all applicable laws of the Township and/or the State of New Jersey including, but not limited to, any and all applicable statutes and administrative agency rules and/or regulations and contingent upon the Township and Veolia executing the Agreement of Sale Between Manalapan Township and Veolia as the same may be amended from time to time.

Section 5. The Mayor and the Township Manager are authorized to execute the documents and agreements necessary to effectuate this municipal consent.

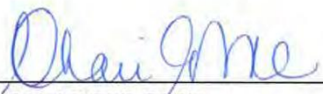
Section 6. Each section, subsection, sentence, clause and phrase of this Ordinance is declared to be an independent section, subsection, sentence, clause and phrase, and the finding or holding of any such portion of this Ordinance to be unconstitutional, void, or ineffective for any cause, or reason, shall not affect any other portion of this Ordinance.

Section 7. All ordinances or parts of ordinances inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

BE IT FURTHER ORDAINED, that if any portion of this Ordinance shall be declared invalid as a matter of law, such declaration shall not affect the remainder of said Ordinance; and

BE IT FURTHER ORDAINED, that this Ordinance shall take effect upon passage and publication.

I, SHARI ROSE, Clerk of the Township of Manalapan, do hereby certify **Ordinance No. 2025-01**, AN ORDINANCE GRANTING CONSENT AND PERMISSION TO VEOLIA WATER NEW JERSEY, INC., TO FURNISH WATER SERVICE IN MANALAPAN TOWNSHIP, NEW JERSEY, as a true copy as adopted by the Township Committee on February 26, 2025.



SHARI ROSE, RMC
Municipal Clerk

Introduction 01-29-25	Public Hearing Held & Closed 02-26-25	Adopted 02-26-25	Municipal Consent Ordinance Granting Permission to Veolia Water New Jersey, Inc to Furnish Water Service In Manalapan Township
---------------------------------	---	----------------------------	---

EXHIBIT A-1

