



Agenda Date: 9/25/25

Agenda Item: 5B

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 JOINT PETITION OF)	ORDER DESIGNATING
AMERICAN WATER WORKS COMPANY, INC., NEW)	COMMISSIONER, SETTING
JERSEY-AMERICAN WATER COMPANY, INC.,)	MANNER OF SERVICE AND
NEXUS REGULATED UTILITIES, LLC, MONTAGUE)	BAR DATE
WATER CO., INC., AND MONTAGUE SEWER CO.,)	
INC. FOR: (1) AMERICAN WATER WORKS)	
COMPANY, INC. TO ACQUIRE CONTROL OF)	DOCKET NO. WM25050320
MONTAGUE WATER CO., INC. AND MONTAGUE)	
SEWER CO., INC.; (2) MONTAGUE WATER CO., INC.)	
AND MONTAGUE SEWER CO., INC. TO TRANSFER)	
UPON THEIR BOOKS ALL OF THEIR CAPITAL STOCK)	
TO AMERICAN WATER WORKS COMPANY, INC.; (3))	
SHORTLY THEREAFTER, MONTAGUE WATER CO.,)	
INC. AND MONTAGUE SEWER CO., INC. TO BE)	
MERGED INTO NEW JERSEY-AMERICAN WATER)	
COMPANY, INC.; AND (4) FOR SUCH OTHER)	
APPROVALS AS MAY BE NECESSARY TO)	
COMPLETE THE PROPOSED TRANSACTION)	

Parties of Record:

Brian O. Lipman, Esq., Esq., Director, New Jersey Division of Rate Counsel

Stephen R. Bishop, Vice President and General Counsel, American Water Works Company, Inc., on behalf of New Jersey American Water Company, Inc.

Debbie C. Albrecht, Vice President, Chief Rates & Regulatory Counsel, American Water Works Company, Inc.

BY THE BOARD:

On May 30, 2025, Montague Water Co., Inc. and Montague Sewer Co., Inc. ("Montague Companies"), American Water Works Company, Inc. ("AWW"), New Jersey-American Water Company, Inc. ("NJAW"), and Nexus Regulated Utilities, LLC ("Nexus"), (collectively, "Joint Petitioners") filed a joint petition ("Joint Petition") with the New Jersey Board of Public Utilities ("Board") requesting approval of the acquisition and change in control of the Montague Companies, currently direct subsidiaries of Nexus, by AWW, thereby merging the Montague Companies into NJAW ("Merger").

BACKGROUND AND PROCEDURAL HISTORY

The Montague Companies currently serve approximately 776 water customers and 268 sewer customers, all within Montague Township in Sussex County. The Montague Companies own five (5) treatment plants, five (5) groundwater wells, four (4) pressure tanks, two (2) storage tanks, and 11.75 miles of main and collection pipes.

By the Joint Petition, the Joint Petitioners asserted that, pursuant to N.J.S.A. 48:2-51.1, there would be no adverse impact on competition, rates, employees of the affected utilities, or on the provision of safe and adequate service at just and reasonable rates and that the Merger will result in a net benefit to the Montague Companies' customers. The Joint Petitioners further stated that, as a result of the Merger, rates charged to Montague customers would not change until NJAW's next rate case, except for NJAW minor ancillary charges related to bad checks and service restoration. The Joint Petitioners affirmed that Montague customers would not be subject to NJAW's current Purchased Water Adjustment Clause, Purchased Wastewater Adjustment Clause, Distribution System Improvement Charge, Wastewater System Improvement Charge, Special Program Charge, or Resiliency and Environmental System Investment Charge rate schedules until after NJAW's next base rate proceeding that includes the Montague Companies' customers. However, the Montague Companies' customers would be subject to NJAW's Lead Service Line Replacement Charge following a subsequent semi-annual filing after completion of the Merger.

The Joint Petitioners claimed that the Merger would provide substantial benefit to ratepayers because NJAW customers and the Montague Companies' customer bases will expand, thereby spreading utility costs among a larger customer base, while the Montague Companies' customers will benefit from their affiliation with AWW, thereby gaining access to extensive water and wastewater utility expertise and AWW's increased purchasing power and financial strength. Upon being made part of NJAW, the former Montague Companies would also gain access to public debt markets that provide lower all-in interest rates than typically be achieved in the private placement market by a smaller utility. Additionally, the former Montague Companies would gain access to AWW's highly trained professionals who possess expertise in various specialized areas that drives knowledge sharing, standardization, process transparency and operational efficiency among AWW's subsidiaries.

DISCUSSION AND FINDINGS

The Board has determined that the Petition should be retained for hearing. Accordingly, as authorized by N.J.S.A. 48:2-32, the Board **HEREBY DESIGNATES** Commissioner Bange as the presiding commissioner for the Joint Petition, who is authorized to rule on all motions that arise during the pendency of this proceeding and modify any schedules that may be set as necessary to secure just and expeditious determination of the issues.

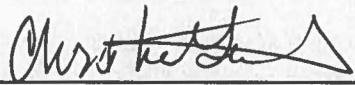
Further, the Board **HEREBY DIRECTS** that any entity seeking to intervene or participate in this matter file the appropriate application with the Board on or before October 15, 2025. Any party wishing to file a motion for admission of counsel, *pro hac vice*, should do so concurrently with any motion to intervene or participate. Any response to motions should be filed no later than October 27, 2025.

In addition, pursuant to the Board's Orders dated March 19, 2020 and June 10, 2020, the Board **HEREBY DIRECTS** all parties to serve all documents electronically.¹ No hard copies shall be filed until the Board lifts the restrictions imposed in that Order.

This Order shall be effective on October 2, 2025.

DATED: September 25, 2025

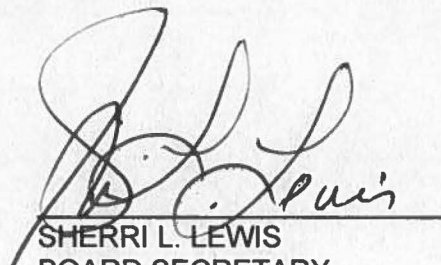
BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOLOU
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.

¹ In re 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, Orders dated March 19, 2020 and June 10, 2020.

IN THE MATTER OF THE JOINT PETITION OF AMERICAN WATER WORKS COMPANY, INC., NEW JERSEY-AMERICAN WATER COMPANY, INC., NEXUS REGULATED UTILITIES, LLC, MONTAGUE WATER CO., INC., AND MONTAGUE SEWER CO., INC. FOR: (1) AMERICAN WATER WORKS COMPANY, INC. TO ACQUIRE CONTROL OF MONTAGUE WATER CO., INC. AND MONTAGUE SEWER CO., INC.; (2) MONTAGUE WATER CO., INC. AND MONTAGUE SEWER CO., INC. TO TRANSFER UPON THEIR BOOKS ALL OF THEIR CAPITAL STOCK TO AMERICAN WATER WORKS COMPANY, INC.; (3) SHORTLY THEREAFTER, MONTAGUE WATER CO., INC. AND MONTAGUE SEWER CO., INC. TO BE MERGED INTO NEW JERSEY-AMERICAN WATER COMPANY, INC.; AND (4) FOR SUCH OTHER APPROVALS AS MAY BE NECESSARY TO COMPLETE THE PROPOSED TRANSACTION

DOCKET NO. WM25050320

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