



Agenda Date: 4/22/26
Agenda Item: 3A

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/

ENGINEERING

IN THE MATTER OF THE PETITION OF VEOLIA)
WATER NEW JERSEY INC. FOR APPROVAL OF)
AN AFFILIATE CONTRACT FOR OZONE POWER)
SUPPLY UNIT UPGRADE & GENERATOR)
REPLACEMENT PARTS IN NEW JERSEY)

ORDER APPROVING AFFILIATE
CONTRACT

DOCKET NO. WR25110587

Parties of Record:

Stephen B. Genzer, Esq., Saul Ewing LLP on behalf of Veolia Water New Jersey Inc.
Brian Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On November 6, 2025, Veolia Water New Jersey, Inc. ("VWNJ" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board"), pursuant to N.J.S.A 48:3-7.1, for permission to have Veolia WTS Systems USA, Inc. ("WTS"), a Massachusetts corporation, to provide parts and services for the ozone generators at its Haworth Water Treatment Plant ("HWTP") in Bergen County New Jersey ("Affiliate Contract") ("Petition").

VWNJ is a public utility corporation of the State of New Jersey, subject to the jurisdiction of the Board, with its principal offices at 461 From Road, Suite 400, Paramus, New Jersey 07652. VWNJ is engaged in the business of treating and distributing water for retail service and wastewater collection service to customers located throughout portions of the state of New Jersey. Specifically, VWNJ serves approximately 265,000 water customers and approximately 6,300 sewer customers located in portions of Bergen, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Sussex, and Warren Counties in the State of New Jersey.

VWNJ is a wholly owned subsidiary of Veolia Utility Resources, L.L.C., a Delaware limited liability company.

PETITION

According to the Petition, WTS is an affiliate of VWNJ. The ultimate parent company of both WTS and VWNJ is Veolia Environment S.A., a French company ("VE"). VE is the direct parent of Vigie Groupe SAS, a French company, which is the direct parent of Veolia Water Technologies & Solutions SA, a French company, which is the direct parent of Veolia Water Technologies Treatment Solutions USA, Inc. a New York corporation, which is the ultimate United States parent

of WTS. WTS is authorized to conduct business in the State of New Jersey and has years of operating experience in the United States. WTS and VWNJ do not share corporate officers or directors.

The ozone generation system provides a critical disinfection and oxidation function in the water treatment process. The system implemented at the HWTP was originally supplied and installed by Ozonia, Inc., now operating as WTS. After more than fifteen (15) years of continuous operation, the ozone system needs significant rebuild and overhaul of activities, as key components have reached the end of their useful life. As these are highly specialized pieces of equipment, and it is not feasible to obtain parts from third party manufactures and distributors, a competitive bid process was not performed. WTS is the sole qualified source capable of supplying the necessary proprietary components, software, and technical services required to build and upgrade the existing system.

The Affiliate Contract covers two (2) projects associated with the plant's ozone generation system: one (1) is a power supply unit upgrade in the amount of \$112,500, and the second is the overhaul and replacement of various interior components of the ozone generators in the amount of \$170,800. As the parts and services will involve the expenditure of a sum likely to exceed \$25,000, VWNJ is seeking approval by the Board of the Affiliate Contract.

By letter dated January 29, 2026, the New Jersey Division of Rate Counsel ("Rate Counsel") filed comments, indicating no objection to Board approval of the Affiliate Contract, subject to the inclusion of certain conditional language.

DISCUSSIONS AND FINDINGS

N.J.S.A. 48:3-7.1 provides, in part, as follows:

No management, advisory service, construction or engineering contract that...involves the expenditure of a sum exceeding twenty-five thousand dollars, made by any public utility with...any corporation five per cent of the capital stock of which is owned, held or controlled by a person or corporation owing, holding or controlling...five per cent of the capital stock of such public utility shall be valid or effective until approval in writing by the board.

The board shall disapprove such contract if it determined that such contract violates the laws of this state or of the United States, or that the price or compensation thereby fixed exceeds the fair price or fair compensation for the property to be furnished or the work to be done or the services to be rendered thereunder or is contrary to the public interest: otherwise the board shall approve such contract.

The Board has carefully reviewed the record in this matter, including the Petition and the comments of Rate Counsel. The record indicates that the Affiliate Contract between VWNJ and WTS, and the supporting analysis that VWNJ conducted on the sole source bid that was received from WTS appears to be reasonable since no other third party manufactures or distributors exist.

Accordingly, the Board **FINDS** that the pricing associated with the Affiliate Contract is reasonable, has been sufficiently evaluated by the Company, reflects the specialized and proprietary nature of the equipment and services, including that WTS is the sole qualified provider capable of performing the required upgrades, and does not exceed a fair price for the proposed work,

consistent with N.J.S.A. 48:3-7.1, and is in the public interest to provide safe water. Further, in accordance with N.J.S.A. 48:3-7.1, the Board **HEREBY FINDS** that the Affiliate Contract does not violate the laws of the State of New Jersey or the United States. As such, the Board **HEREBY FINDS** that the Affiliate Contract is in the public interest and will facilitate the Company's ability to provide safe, adequate, and proper utility service at just and reasonable rates.

The Board **HEREBY APPROVES** the Affiliate Contract and **HEREBY AUTHORIZES** WTS to render services outlined in the Affiliate Contract to provide parts and services for the ozone generators at its HWTP.

The approvals granted hereinabove shall be subject to the following provisions:

1. This Order shall not affect nor in any way limit the exercise of the authority of the Board or of the State of New Jersey, in any future Petition or in any proceedings with respect to rates, financing, accounting, capitalization, depreciation, or in any matter affecting the Company.
2. Approval of the Affiliate Contract does not constitute approval by the Board of any costs or expenses associated with the Petition. Any determination as to the appropriateness or reasonableness of the costs and expenses related to the Affiliate Contract shall be made in an appropriate subsequent proceeding.
3. The Board reserves the right to conduct future reviews of the Affiliate Contract to evaluate whether the Affiliate Contract remains reasonable.
4. The Company shall notify the Board if the Affiliate Contract is altered or terminated within twenty (20) days of any such action.
5. VWNJ shall submit to the Board fully executed copies of the Affiliate Contract within twenty (20) days of Board approval.

This Order shall be effective on April 29, 2026.

DATED: April 22, 2026

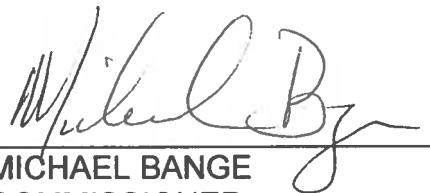
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BY:



CHRISTINE GUHL-SADOVY
PRESIDENT



DR. ZENON CHRISTODOLOU
COMMISSIONER



MICHAEL BANGE
COMMISSIONER




EMMA REBHORN
COMMISSIONER



JOSEPH COVIELLO
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 THE PETITION OF VEOLIA WATER NEW JERSEY INC. FOR APPROVAL OF AN AFFILIATE
CONTRACT FOR OZONE POWER SUPPLY UNIT UPGRADE & GENERATOR REPLACEMENT PARTS IN NEW
JERSEY

BPU DOCKET NO. WR25110587

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