



# STATE OF NEW JERSEY

## Board of Public Utilities

44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu](http://www.nj.gov/bpu)

### REVENUE AND RATES

IN THE MATTER OF THE PETITION OF VEOLIA ) ORDER  
WATER NEW JERSEY, INC. CONSIDERATION OF )  
THE GROSS RECEIPTS TAX ON WATER AND )  
SEWER UTILITIES ) DOCKET NO. WR25060331

### Parties of Record

**Shane P. Simon, Esq., Saul Ewing LLP**, on behalf of Veolia Water New Jersey Inc.  
**Brian O, Lipman, Esq., Director**, Division of Rate Counsel

### BY THE BOARD:

On June 2, 2025, Veolia Water New Jersey Inc. (“Veolia” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking approval of deferred accounting treatment of the Gross Receipts Tax (“GRT”) on water and sewer revenues, as well as the related reduction of the excise tax levied (“Petition”). By this Decision and Order, the Board considers a Stipulation of Settlement (“Stipulation”) executed by Veolia, Board Staff (“Staff”) and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”) intended to resolve the requests in the Petition.

### Background/Procedural History

By letter dated November 4, 2024, Veolia was notified by the New Jersey Division of Taxation (“Taxation”) that an error was discovered in August 2024 and that as a result of the error, the charges to Veolia for excise taxes had been charged at a rate of seven-and-one-half percent (7.5%), rather than the statutory rate of seven percent (7%) (“November 2024 Letter”).<sup>1</sup>

By the November 2024 letter, Taxation indicated that it would issue refunds of the additional tax remitted to rectify the over-collection, and that such refunds would be issued within forty-five (45) days for payments that were due on and after August 15, 2022. Taxation also indicated that, since it became aware of the rate discrepancy in August 2024, Taxation would treat the August

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<sup>1</sup> Pursuant to N.J.S.A. 54:30A-54(b), every sewerage and water corporation using or occupying the public streets, highways, roads, or other public places in New Jersey shall pay an annual excise tax “at the rate of 7% upon the gross receipts of such taxpayer for the preceding calendar year from its business over, on, in, through or from its lines or mains in the State of New Jersey.”

15, 2020, tax payment as being in statute for the purposes of a refund. To receive a refund for the additional two (2) years of payments due between August 15, 2020, and May 15, 2022, the affected company was directed to complete a claim for refund. Taxation additionally directed companies to remit at the seven percent (7%) tax rate beginning with tax payments due on and after November 15, 2024, unless there is a legislative amendment in the future.

By Order dated March 19, 2025, the Board directed affected utilities to defer the effects of the required reduction on its books and records effective immediately.<sup>2</sup> Per the March 2025 Order, the deferral was to be the difference between a GRT rate of seven-and-one-half percent (7.5%) and seven percent (7%), including both the refunds from Taxation and the difference in GRT expenses included in rates.

### **Petition**

According to the Petition, the Company received \$6,669,233 in refunds from Taxation for payments made on the GRT assessed through December 31, 2024. Veolia stated that the Company deferred the refunds as a regulatory liability ("Regulatory Liability").

The payment to Taxation made on November 15, 2024, for revenues received in calendar year 2023 was recalculated and paid at the correct tax rate. As a result, the Company deferred the difference between the payment at the correct and erroneous rate and deferred the difference to the Regulatory Liability. For calendar year 2024 revenues, Veolia recalculated the amounts accrued for payment in 2025 and, in the second quarter of 2025, recorded an addition to the Regulatory Liability through December 31, 2024, in the amount of approximately \$2,279,691.

As the current rates charged to customers were developed using the erroneous tax rate, since being notified of the error, Veolia has calculated the differential between the amount paid by customers at the erroneous rate and the amount that would have been paid under the correct rates and has deferred the difference to the Regulatory Liability.

For each quarter beginning January 1, 2025, Veolia indicated that it calculates the differential based upon current revenues for the month and defer this amount to the Regulatory Liability. As of January 31, 2026, the Company indicated that the total regulatory liability balance is \$10,987,861.

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<sup>2</sup> In re the New Jersey Board of Public Utilities' Consideration of the Gross Receipts Tax on Water and Sewer Utilities, Docket No. WX25020086, March 19, 2025 ("March 2025 Order"). The affected utilities are Atlantic City Sewerage Company, Aqua New Jersey, Inc., Gordon's Corner Water Company, Middlesex Water Company, New Jersey American Water Company, Inc. and Veolia Water New Jersey.

## **STIPULATION**

Following a review of the Petition, conducting discovery, and discussions among the Parties, the Parties executed the Stipulation, which provides for the following:<sup>3</sup>

16. Recording of Accruals for Water and Sewer. The Company will continue to defer the difference between payments made at the correct rate and at the erroneous rate and will continue to record this difference to the Regulatory Liability on a monthly basis, consistent with its current practice. The Company will continue to use sub-codes for water and sewer balances to ensure that the appropriate Regulatory Liability balance is returned to water and sewer customers, respectively.
17. Disposition of Regulatory Liability. At the issuance of the Order as a result of this matter, the Company shall:
  - a. Refund the \$6,669,233 of refunds to the Company from Taxation for payments made on the GRT assessed through December 31, 2024 to customers in the form of an initial bill credit, to be provided on the first customer bill following the approval of the Stipulation in a Board Order. For a Veolia residential customer with a 5/8" meter, the estimated amount of the one (1)-time bill credit is \$16.30. Application of this bill credit will be made using the rates and methodology demonstrated in Exhibit A, attached to the stipulation;
  - b. Veolia will provide a reconciliation demonstrating that it has returned to customers the full \$6,669,233 in refunds. If the reconciliation indicates that the actual refund amount differs from this value, any surplus or deficit will be incorporated into the balance to be refunded through the second bill credit, and such amount will accrue interest as specified in the Stipulation;
  - c. Interest shall begin to accrue on the then growing liability balance as of the effective date of the Board's Order approving the Stipulation in this case, and shall be imputed at the five (5)-year Treasury rate plus (60) sixty basis points in effect on the effective date of the Board's Order approving this case. The balance on which interest will be calculated will be growing from the effective date of the Board's Order in this case, because until the Company's base rates are reset, base rates include an embedded 7.5% rate rather than the 7% rate; and
  - d. The Company will issue a second bill credit for the remaining balance in the first bill following implementation of base rates resulting from the Company's current base rate case.
18. Compliance. In the current base rate case, for water and sewer, respectively, the Company shall update the GRT rate to reflect the correct rate of seven percent (7%) in the calculation of the base rates. The Company shall continue to use its best efforts to review the annual GRT calculation provided by Taxation to attempt to ensure that future amounts reflect the appropriate rate of tax. Specifically, the Company's GRT review process is set forth in Exhibit B of the Stipulation.

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<sup>3</sup> Although summarized in this Order, the detailed terms of the Stipulation control, subject to the findings and conclusions of the Order. Paragraphs are numbered to coincide with the Stipulation.

19. Customer Communication. The Company will provide information to customers regarding the one (1)-time GRT bill credit on its website, and, as space permits, may supply a short description of the reason for the initial bill credit on the bill on which the credit appears.

### **DISCUSSIONS AND FINDINGS**

Based on the Board's review and consideration of the record in this proceeding, including the Petition and the Stipulation, the Board **HEREBY FINDS** the Stipulation to be reasonable and in accordance with the law, striking an appropriate balance between the needs of customers and of the Company. Therefore, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein.

As a result of the Stipulation, as of this time, the total amount to be returned to customers is \$10,987,861. Veolia will make an initial refund of \$6,669,233 for payments made on the GRT assessed through December 31, 2024, to customers in the form of an initial bill credit, to be provided on the first customer bill following the issuance of this Board Order. For a Veolia residential customer with a 5/8" meter, the estimated amount of the one (1)-time bill credit is \$16.30. Veolia will provide a reconciliation demonstrating that it has returned to customers the full \$6,669,233 in refunds. If the reconciliation indicates that the actual refund amount differs from this value, any surplus or deficit will be incorporated into the balance to be refunded through the second bill credit, including interest to be issued in the first bill following implementation of base rates resulting from the Company's current base rate case.

The Company's costs remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

This Order shall be effective May 28, 2026.

DATED: May 21, 2026

BOARD OF PUBLIC UTILITIES  
BY:

  
CHRISTINE GUHL-SADOVY  
PRESIDENT

  
DR. ZENON CHRISTODOULOU  
COMMISSIONER

  
MICHAEL BANGE  
COMMISSIONER

  
EMMA REBHORN  
COMMISSIONER

  
JOSEPH COVIELLO  
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. CONSIDERATION OF THE GROSS  
RECEIPTS TAX ON WATER AND SEWER UTILITIES

BPU DOCKET NO. WR25060331

SERVICE LIST

**New Jersey Board of Public Utilities**

44 South Clinton Avenue, 1<sup>st</sup> Floor  
P.O. Box 350  
Trenton, NJ 08625-0350

Sherri L. Lewis, Board Secretary  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Stacy Peterson, Deputy Executive Director  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

Counsel's Office

Ava-Marie Madeam, General Counsel  
[avamarie.madeam@bpu.nj.gov](mailto:avamarie.madeam@bpu.nj.gov)

Elsbeth Faiman Hans, Deputy General Counsel  
[elsbeth.hans@bpu.nj.gov](mailto:elsbeth.hans@bpu.nj.gov)

TyShawn Key, Regulatory Officer  
[tyshawn.key@bpu.nj.gov](mailto:tyshawn.key@bpu.nj.gov)

Division of Revenue and Rates

Justin Cederberg  
[justin.cederberg@bpu.nj.gov](mailto:justin.cederberg@bpu.nj.gov)

Andrew Tuzzo  
[andrew.tuzzo@bpu.nj.gov](mailto:andrew.tuzzo@bpu.nj.gov)

**New Jersey Division of Law**

NJ Department of Law and Public Safety  
Richard J. Hughes Justice Complex  
Public Utilities Section  
25 Market Street, P.O. Box 112  
Trenton, NJ 08625

Terel Klein, DAG, Section Chief  
[terel.klein@law.njoag.gov](mailto:terel.klein@law.njoag.gov)

Pamela Owen, ASC, DAG  
[pamela.owen@law.njoag.gov](mailto:pamela.owen@law.njoag.gov)

Meliha Arnautovic, DAG  
[meliha.arnautovic@law.njoag.gov](mailto:meliha.arnautovic@law.njoag.gov)

Jack Ventura, DAG  
[jack.ventura@law.njoag.gov](mailto:jack.ventura@law.njoag.gov)

Rachel Reckeweg, Attorney Assistant  
[rachel.reckeweg@law.njoag.gov](mailto:rachel.reckeweg@law.njoag.gov)

Tanya Lloyd-Samuel, Attorney Assistant  
[tanya.lloyd-samuel@law.njoag.gov](mailto:tanya.lloyd-samuel@law.njoag.gov)

**New Jersey Division of Rate Counsel**

140 East Front Street, 4<sup>th</sup> Floor  
P.O. Box 003  
Trenton, NJ 08625-0003

Brian O. Lipman, Esq., Director  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Christine Juarez, Esq., Managing Attorney  
[cjuarez@rpa.nj.gov](mailto:cjuarez@rpa.nj.gov)

Rate Counsel Consultants

Exeter Associates, Inc.  
10480 Little Patuxent Parkway  
Suite 300  
Columbia, Maryland 21044

Abigail Huebler  
[ahuebler@exeterassociates.com](mailto:ahuebler@exeterassociates.com)

Olivia Kuykendall  
[okuykendall@exeterassociates.com](mailto:okuykendall@exeterassociates.com)

Taylor Carretta  
[tcarretta@exeterassociates.com](mailto:tcarretta@exeterassociates.com)

Felipe Salcedo  
[fsalcedo@exeterassociates.com](mailto:fsalcedo@exeterassociates.com)

**Veolia Water New Jersey, Inc.**

461 From Road, Suite 400  
Paramus, New Jersey 07652

Bryant Gonzalez, Esq., Senior Utility Counsel  
[bryant.gonzalez@veolia.com](mailto:bryant.gonzalez@veolia.com)

Elda Gil  
[elda.gil@veolia.com](mailto:elda.gil@veolia.com)

Maryanne Hatch  
[maryanne.hatch@veolia.com](mailto:maryanne.hatch@veolia.com)

Saul Ewing LLP  
Centre Square West, 38<sup>th</sup> Floor  
1500 Market Street  
Philadelphia, PA 19102

Shane P. Simon, Esq.  
[shane.simon@saul.com](mailto:shane.simon@saul.com)

March 23, 2026

**VIA ELECTRONIC MAIL**

Honorable Sherri Lewis, Secretary  
Board of Public Utilities  
44 South Clinton Ave., Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350  
[sherri.lewis@bpu.nj.gov](mailto:sherri.lewis@bpu.nj.gov)  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Re: In the Matter of the Petition of Veolia Water New Jersey, Inc.  
Consideration of the Gross Receipts Tax on Water and Sewer Utilities  
BPU Docket No. WR25060331

Dear Secretary Lewis:

Enclosed for filing please find a fully executed Stipulation of Settlement, with attached Exhibits, resolving all matters at issue in above-referenced proceeding.

Please do not hesitate to contact me if you have questions or require any additional information.

Thank you for your attention to this matter.

Respectfully submitted,

*Shane P. Simon*

Shane P. Simon

SPS/jg  
Enclosures  
cc: Attached Service List (w/encls., via email only)

**SERVICE LIST**  
**In the Matter of the Petition of Veolia Water New Jersey, Inc.**  
**Consideration of the Gross Receipts Tax on Water and Sewer Utilities**  
**BPU Docket No. WR25060331**

**BPU STAFF**

Sherri L. Lewis, Secretary  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[sherri.lewis@bpu.nj.gov](mailto:sherri.lewis@bpu.nj.gov)  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Stacy Peterson  
Director of Energy & Water  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

Robert Brabston  
Board of Public Utilities  
44 South Clinton Ave.  
P.O. Box 350  
Trenton, NJ 08625-0350  
[robert.brabston@bpu.nj.gov](mailto:robert.brabston@bpu.nj.gov)

Kit Burnette  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[kit.burnette@bpu.nj.gov](mailto:kit.burnette@bpu.nj.gov)

Charles Gurkas  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[charles.gurkas@bpu.nj.gov](mailto:charles.gurkas@bpu.nj.gov)

Colin Emerle  
Board of Public Utilities  
44 South Clinton Ave.  
P.O. Box 350  
Trenton, NJ 08625-0350  
[colin.emerle@bpu.nj.gov](mailto:colin.emerle@bpu.nj.gov)

Elsbeth Hans  
Board of Public Utilities  
44 South Clinton Ave.  
P.O. Box 350  
Trenton, NJ 08625-0350  
[elsbeth.hans@bpu.nj.gov](mailto:elsbeth.hans@bpu.nj.gov)

**RATE COUNSEL**

Brian Lipman, Esq.  
Division of Rate Counsel  
140 East Front Street  
P.O. Box 003  
Trenton, NJ 08625  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Christine Juarez, Esq.  
Division of Rate Counsel  
140 East Front Street  
P.O. Box 003  
Trenton, NJ 08625  
[cjuarez@rpa.nj.gov](mailto:cjuarez@rpa.nj.gov)

Megan Lupo, Esq.  
Division of Rate Counsel  
140 East Front Street  
P.O. Box 003  
Trenton, NJ 08625  
[mlupo@rpa.nj.gov](mailto:mlupo@rpa.nj.gov)

Felecia Jackson-Rodgers  
Division of Rate Counsel  
140 East Front Street  
P.O. Box 003  
Trenton, NJ 08625  
[frodgers@rpa.nj.gov](mailto:frodgers@rpa.nj.gov)

**RATE COUNSEL CONSULTANTS**

Abby Huebler  
Exeter Associates  
Consulting Economist  
10480 Little Patuxent Pwy.  
Suite 300  
Columbia, MD 21044  
[ahuebler@exeterassociates.com](mailto:ahuebler@exeterassociates.com)

Olivia J. Kuykendall  
Exeter Associates  
Consulting Economist  
10480 Little Patuxent Pwy.  
Suite 300  
Columbia, MD 21044  
[okuykendall@exeterassociates.com](mailto:okuykendall@exeterassociates.com)

Matthew T. Hoyt  
Exeter Associates  
Consulting Economist  
10480 Little Patuxent Pwy.  
Suite 300  
Columbia, MD 21044  
[mhoyt@exeterassociates.com](mailto:mhoyt@exeterassociates.com)

Taylor A. Carretta  
Exeter Associates  
Consulting Economist  
10480 Little Patuxent Pwy.  
Suite 300  
Columbia, MD 21044  
[tcarretta@exeterassociates.com](mailto:tcarretta@exeterassociates.com)

Felipe A. Salcedo  
Exeter Associates  
Consulting Economist  
10480 Little Patuxent Pwy.  
Suite 300  
Columbia, MD 21044  
[fsalcedo@exeterassociates.com](mailto:fsalcedo@exeterassociates.com)

Jennifer L. Roger  
Exeter Associates  
Consulting Economist  
10480 Little Patuxent Pwy.  
Suite 300  
Columbia, MD 21044  
[jrogers@exeterassociates.com](mailto:jrogers@exeterassociates.com)

Grace N. Koenig  
Exeter Associates  
Consulting Economist  
10480 Little Patuxent Pwy.  
Suite 300  
Columbia, MD 21044  
[gkoenig@exeterassociates.com](mailto:gkoenig@exeterassociates.com)

**DIVISION OF LAW**

Meliha Arnautovic, DAG  
Office of the Attorney General  
Public Utilities Section  
25 Market St., P.O. Box 112  
Trenton, N.J. 08625  
[meliha.arnautovic@law.njoag.gov](mailto:meliha.arnautovic@law.njoag.gov)

Pamela Owens, DAG  
Office of the Attorney General  
Public Utilities Section  
25 Market St., P.O. Box 112  
Trenton, N.J. 08625  
[pamela.owens@law.njoag.gov](mailto:pamela.owens@law.njoag.gov)

Terel Klein, DAG  
Office of the Attorney General  
Public Utilities Section  
25 Market St., P.O. Box 112  
Trenton, N.J. 08625  
[terel.klein@law.njoag.gov](mailto:terel.klein@law.njoag.gov)

**COMPANY**

Maryanne Hatch, Vice Present  
Rates and Regulatory Affairs  
Veolia Water New Jersey, Inc.  
461 From Road, Suite 400  
Paramus, NJ 07652  
[maryanne.hatch@veolia.com](mailto:maryanne.hatch@veolia.com)

Stacey Gress, Sr. Director  
Regulatory Business  
Veolia Water New Jersey, Inc.  
461 From Road, Suite 400  
Paramus, NJ 07652  
[stacey.gress@veolia.com](mailto:stacey.gress@veolia.com)

Elda Gil, Director  
Rates and Regulatory Affairs  
Veolia Water New Jersey, Inc.  
461 From Road, Suite 400  
Paramus, NJ 07652  
[elda.gil@veolia.com](mailto:elda.gil@veolia.com)

Katherine Arp, Manager  
Rates and Regulatory Affairs  
Veolia Water New Jersey, Inc.  
461 From Road, Suite 400  
Paramus, NJ 07652  
[katherine.arp@veolia.com](mailto:katherine.arp@veolia.com)

Bryant Gonzalez  
Senior Utility Counsel  
Veolia Water New Jersey, Inc.  
461 From Road, Suite 400  
Paramus, NJ 07652  
[bryant.gonzalez@veolia.com](mailto:bryant.gonzalez@veolia.com)

Debra Visconti  
Regulatory Coordinator  
Veolia Water New Jersey, Inc.  
461 From Road, Suite 400  
Paramus, NJ 07652  
[debra.visconti@veolia.com](mailto:debra.visconti@veolia.com)

Stephen B. Genzer, Esq.  
Saul Ewing LLP  
One Riverfront Plaza, Suite 1520  
1037 Raymond Blvd.  
Newark, NJ 07102  
[stephen.genzer@saul.com](mailto:stephen.genzer@saul.com)

Shane P. Simon, Esq.  
Saul Ewing LLP  
1735 Market Street, Suite 3400  
Philadelphia, PA 19103-7504  
[shane.simon@saul.com](mailto:shane.simon@saul.com)

Jane Gisbey  
Saul Ewing LLP  
One Riverfront Plaza, Suite 1520  
1037 Raymond Blvd.  
Newark, NJ 07102  
[jane.gisbey@saul.com](mailto:jane.gisbey@saul.com)

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

**IN THE MATTER OF THE PETITION OF** :  
**VEOLIA WATER NEW JERSEY, INC.** : **STIPULATION OF SETTLEMENT**  
**CONSIDERATION OF THE GROSS** :  
**RECEIPTS TAX ON WATER AND** :  
**SEWER UTILITIES** : **BPU Docket No. WR25060331**  
:

**APPEARANCES:**

Shane P. Simon, Esq. and Stephen B. Genzer, Esq., Saul Ewing LLP, on behalf of the Petitioner, Veolia Water New Jersey, Inc.

Christine M. Juarez, Esq., Deputy Rate Counsel on behalf of the Division of Rate Counsel (Brian O. Lipman, Director)

Meliha Arnautovic, Esq., Deputy Attorney General, (Jennifer Davenport, Attorney General of New Jersey), on behalf of the Staff of New Jersey Board of Public Utilities

**TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:**

The parties to this proceeding are Veolia Water New Jersey, Inc. (“VWNJ,” or “Company”), the New Jersey Division of Rate Counsel (“Rate Counsel”), and Staff of the New Jersey Board of Public Utilities (“Board”) (“Staff”) (collectively, “Parties”). There were no intervenors in this proceeding. As a result of an analysis of VWNJ’s petition and exhibits, discovery conducted by Rate Counsel and Staff, conferences, and negotiations, the Parties hereto agree and stipulate as follows:

**I. Background & Procedural History.**

1. Petitioner is a public utility of the State of New Jersey, with its principal business office at 461 From Road, Paramus, New Jersey 07652, subject to the jurisdiction of the Board.

2. VWNJ is engaged in the business of treating and distributing water for retail service to approximately 260,000 customers. The Company’s customers are located in several counties

including Bergen, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Sussex, and Warren Counties, New Jersey.

3. VWNJ also supplies water service to municipalities and other entities, including the Borough of Allendale, the Borough of Fairlawn, Township of Freehold, Gordon's Corner Water Company, the Borough of Mahwah, the Township of Manalapan, the Borough of Ramsey, the Village of Ridgewood, the Township of Saddle Brook, and the Borough of Saddle River.

4. VWNJ is a wholly-owned subsidiary of Veolia Utility Resources LLC, a Delaware limited liability company.

5. By letter dated November 4, 2024, VWNJ was notified by the New Jersey Department of the Treasury, Division of Taxation ("Taxation") that a long-standing error was discovered in August 2024 and that, as a result of the error, the charges to VWNJ for excise taxes had been charged at the wrong rate.

6. Taxation provided refunds to the Company for taxes assessed on and after August 15, 2022.

7. Taxation advised that the tax payment due on November 15, 2024, and all subsequent payments, are to be remitted at the seven percent (7%) tax rate instead of the seven and one-half percent (7.5%) tax rate previously charged.

8. At the direction of Taxation, VWNJ completed a Claim for Refund for payments due between August 15, 2020 and May 15, 2022 and received such amounts. Taxation further provided refunds to the Company for taxes assessed on and after August 15, 2022.

9. In total, the Company received \$6,669,233 in refunds from Taxation for payments made on the GRT assessed through December 31, 2024. Pending a decision by the Board, VWNJ deferred the refunds as a Regulatory Liability.

10. On March 19, 2025, the Board, pursuant to its authority under N.J.S.A. 48:2-21, issued an Order in BPU Docket No. WX25020086 directing the affected water and wastewater utilities to defer the effects of the required reduction in tax expense on their books and records effective immediately, with the deferral being the difference between a GRT rate of seven-and one-half percent (7.5%) and seven percent (7.0%), including both the refunds from Taxation and the difference in GRT expenses included in rates.<sup>1</sup> The Board further directed the affected utilities to file a petition with the Board no later than June 1, 2025 that included appropriate calculations and a proposal to return the difference between the GRT rate of seven-and one-half percent (7.5%) and seven percent (7.0%) to customers.

11. On June 2, 2025, pursuant to N.J.A.C. 48:2-21 and other related statutes and regulations, and as directed by the Board in the March 2025 Order, the Company filed the above-captioned petition with the Board, which was later assigned BPU Docket No. WR25060331, for approval of deferred accounting treatment of the Gross Receipts, Excise and Franchise Taxes (“GRT”) on water and sewer revenues refunded by Taxation, as well as the related reduction of the gross receipts tax percentage levied (“Petition”).

12. By the Petition, VWNJ indicated that Current rates charged to customers were developed using the state required but later found to be erroneous tax rate. As a result, since the notification of the error, the Company has calculated the differential between the amount paid by customers at the erroneous rate and the amount that would have been paid under the correct rate and has deferred the difference to the Regulatory Liability.

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<sup>1</sup> In re the New Jersey Board of Public Utilities' Consideration of the Gross Receipts Tax on Water and Sewer Utilities, BPU Docket. No. WX25020086, Order dated March 19, 2025 (“March 2025 Order”).

13. For calendar year 2024 revenues, VWNJ stated that it recalculated the amounts accrued for payment in 2025 and, in the second quarter of 2025, recorded an addition to the Regulatory Liability through December 31, 2024, in the amount of approximately \$2,279,691. For each quarter going forward, beginning January 1, 2025, the Company asserted that it calculates the differential based upon current revenues for the month and defers this amount to the Regulatory Liability.

14. By the Petition, the Company proposed to maintain its current Board-approved base rates, which include an erroneous 7.5% gross receipts tax rate, until the next base rate case filing and, as such, the Regulatory Liability will continue to increase each quarter marginally (at 7.5% rather than 7%). As of January 31, 2026, the Company indicated that the total Regulatory Liability balance is \$10,987,861.

## **II. Settlement Provisions.**

15. For the reasons set forth in the following paragraphs, the Parties agree that the record herein supports the findings and conclusions set forth below.

16. Recording of Accruals for Water and Sewer. The Company will continue to defer the difference between payments made at the correct rate and at the erroneous rate and will continue to record this difference to the Regulatory Liability on a monthly basis, consistent with its current practice. The Company will continue to use sub-codes for water and sewer balances to ensure that the appropriate Regulatory Liability balance is returned to water and sewer customers, respectively.

17. Disposition of Regulatory Liability. At the issuance of the Order as a result of this matter, the Company shall:

a. Refund the \$6,669,233 of refunds to the Company from Taxation for payments made on the GRT assessed through December 31, 2024 to customers in the form of an initial bill credit, to be provided on the first customer bill following the approval of this settlement in a Board Order. For a VWNJ residential customer with a 5/8" meter, the estimated amount of the one (1)-time bill credit is \$16.30. The application of this bill credit will be made using the rates and methodology demonstrated in **Exhibit A**, attached hereto; and

b. VWNJ will provide a reconciliation demonstrating that it has returned to customers the full \$6,669,233 in refunds. If the reconciliation indicates that the actual refund amount differs from this value, any surplus or deficit will be incorporated into the balance to be refunded through the second bill credit, and such amount will accrue interest as specified below; and

c. Interest shall begin to accrue on the then growing liability balance as of the effective date of the Board's Order approving the settlement in this case, and shall be imputed at the five (5)-year Treasury rate plus (60) sixty basis points in effect on the effective date of the Board's Order approving this case. The balance on which interest will be calculated will be growing from the effective date of the Board's Order in this case, because until the Company's base rates are reset, base rates include an embedded 7.5% rate rather than the 7% rate.

d. The Company will issue a second bill credit for the remaining balance in the first bill following implementation of base rates resulting from the Company's current base rate case.

18. Compliance. In the current base rate case, for water and sewer, respectively, the Company shall update the GRT rate to reflect the correct rate of seven percent (7%) in the calculation of the base rates. The Company shall continue to use its best efforts to review the

annual GRT calculation provided by Taxation to attempt to ensure that future amounts reflect the appropriate rate of tax. Specifically, the Company's GRT review process is set forth in **Exhibit B** hereto.

19. Customer Communication. The Company will provide information to customers regarding the one (1)-time GRT bill credit on its website, and, as space permits, may supply a short description of the reason for the initial bill credit on the bill on which the credit appears.

20. The Parties agree that the within Stipulation of Settlement ("Stipulation") reflects a mutual balancing of various issues and positions, and that it is being entered into in the spirit of compromise and to avoid protracted and costly litigation.

21. This Stipulation is the product of negotiations by the Parties, and it is an express condition of settlement embodied by this Stipulation that it be presented to the Board in its entirety without modification or condition. It is also the intent of the parties to this Stipulation that this settlement, once accepted and approved by the Board, shall govern all issues specified and agreed to herein.

22. The Parties agree that each term within this Stipulation reflects a mutual balancing of various issues and positions and is intended to be accepted and approved in its entirety. Each term is vital to this Stipulation as a whole, since the Parties hereto expressly and jointly state that they would not have signed this Stipulation had any terms been modified in any way. In the event any particular aspect of this Stipulation is not accepted and approved by the Board, then any Party hereto materially affected thereby shall not be bound to proceed under this Stipulation.

23. The Parties further agree that, with respect to any policy or other issues which were compromised in the spirit of reaching an agreement, none of the Parties shall be prohibited from, or prejudiced in, arguing a different policy or position before the Board in any other proceeding,

as such agreements pertain only to this matter and to no other matter. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, the Parties shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposedly underlying any agreement provided herein in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

24. This Stipulation may be executed in as many counterparts as there are Parties to this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

[Remainder of page left intentionally blank. Signatures follow]

IN WITNESS WHEREOF, the Parties, each expressly intending to be legally bound, and each acknowledging that he, she or it has given full and careful consideration to all aspects of this Stipulation, have duly authorized and caused this Stipulation to be executed and to become effective as of the dates affixed hereto:

February 25, 2026  
Date

VEOLIA WATER NEW JERSEY, INC.

By: Shane P. Simon  
Saul Ewing LLP  
Shane P. Simon, Esq.  
Attorney for Petitioner

JENNIFER DAVENPORT  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the Staff of the  
New Jersey Board of Public Utilities

3/3/26  
Date

By: Meliha Arnautovic DAG  
Meliha Arnautovic, Esq.  
Deputy Attorney General

BRIAN O. LIPMAN, ESQ.  
DIRECTOR – RATE COUNSEL

March 10, 2026  
Date

By: Christine M. Juarez  
Christine M. Juarez  
Deputy Rate Counsel

# **EXHIBIT A**



# Exhibit A

VEOLIA WATER NEW JERSEY, INC. (WATER)  
Proof of Revenue GRT Surcredit

↓  
Input the Surcredit amount here

		\$ 6,509,700		\$ 6,509,186	Variance (514)
<b>Resale</b>					
Resale regular consumption VWNJ-North (6 CONTRACTS)			6 Contracts	\$ 1,874.50	\$ 11,247
Resale VWNJ-Mid State-Freehold (1 CONTRACT)			1 Contract	\$ 1,874.50	\$ 1,875
<b>TOTAL RESALE (Active 8 contracts but 1 is Exempt)</b>	2.46%	\$ 159,833		\$ 13,122	\$ 146,712
<b>Private Fire Service (former VWNJ-North)</b> <i>(Includes Reduction for Residential 2" and Less)</i>					
Service Size			Number of Units	Surcredit	Fixed Revenue
1 1/2"			73	\$ 4.00	\$ 292
2"			355	7.00	2,485
3"			225	16.00	3,600
4"			2,175	28.00	60,900
6"			2,005	64.00	128,320
8"			831	112.00	93,072
10"			47	176.00	8,272
12"			10	316.00	3,160
Firelines VWNJ-North			5,721		\$ 300,101
Private Hydrants			746	\$ 5.00	\$ 3,730
<b>Total Private Fire Service VWNJ-North</b>					\$ 303,831
<b>Private Fire Service VWNJ-Mid State</b> <i>(Includes Reduction for Residential 2" and Less)</i>					
Service Size			Number of Units	Surcredit	Fixed Revenue
1 1/2"			-	\$ 4.00	-
2"			64	7.00	448
3"			99	16.00	1,584
4"			171	28.00	4,788
6"			113	64.00	7,232
8"			76	112.00	8,512
10"			1	176.00	176
12"			-	316.00	-
Firelines			524		\$ 22,740
Private Hydrants			830	\$ 5.00	\$ 4,150
<b>Total Private Fire Service VWNJ-Mid State</b>					\$ 26,890
<b>TOTAL PRIVATE FIRE</b>	5.34%	\$ 347,852	<b>TOTAL PRIVATE FIRE</b>	\$ 330,721	\$ 17,131
<b>Public Fire Service VWNJ-North</b>					
Public Hydrants			14,908	\$ 8.88	\$ 132,383
Public Hydrants (Lambertville-W. Amwell)			68	8.88	604
Public Hydrants ( Mt Arlington)			4	8.88	36
			14,980		\$ 133,022
Inch Feet					
Home Owner Rate					
Public Hydrants Toms River			2,663	\$ 8.88	\$ 23,647
<b>TOTAL PUBLIC FIRE</b>	2.70%	\$ 175,729		\$ 156,670	\$ 19,059
<b>Total Revenue from Sales (excludes Exempt Sales)</b>		<b>\$ 6,509,706</b>		<b>\$ 6,509,186</b>	<b>\$ 520</b>
		rounding (6)		variance \$	(514)

# Exhibit A

VEOLIA WATER NEW JERSEY, INC. ( SEWER)  
Proof of Revenue GREFT Surcredit

↓  
Input the Surcredit amount here

\$ 159,533

159,525 Variance (8)

VEOLIA WATER NEW JERSEY (Sewer) West Milford MUA	
Facility Charges Monthly	
<u>Units</u>	
5/8"	
3/4"	
1"	
1 1/2"	
2"	
3"	
4"	
6"	
8"	
No metered	
Total Facility Charges	
<b><u>Water Registered Charges</u></b>	
General Metered	
Total Consumption Charges	
<b>Total Revenue from Sales</b>	

Allocation Target

**PROPOSED SURCREDIT (1 TIME ONLY)**

Number of Eqv Meters	<u>Surcredit</u>	Fixed Revenue
1,388	18.00	\$ 24,984
2	27.00	54.00
9	45.00	405.00
1	90.00	90.00
2	144.00	288.00
1	270.00	270.00
	450.00	-
	900.00	-
	1,440.00	-
57		-
1,460		\$ 26,091

(over +, under -)

21.66% \$ 34,555

\$ 26,091 \$ 8,464

VEOLIA WATER NEW JERSEY (Sewer) SB	
Facility Charges Monthly	
<u>Meter Size</u>	
5/8"	
3/4"	
1"	
1 1/2"	
2"	
3"	
4"	
6"	
8"	
Total Facility Charges	
<b><u>Water Registered Charges</u></b>	
General Metered	
Total Consumption Charges	
<b>Total Revenue from Sales</b>	

Number of Eqv Meters	<u>Surcredit</u>	Fixed Revenue
272	\$ 18.00	\$ 4,896
-	27.00	-
-	45.00	-
1	90.00	90
-	144.00	-
-	270.00	-
-	450.00	-
-	900.00	-
-	1,440.00	-
273		\$ 4,986

3% \$ 4,467

\$ 4,986 \$ (519)

# Exhibit A

VEOLIA WATER NEW JERSEY, INC. ( SEWER)  
 Proof of Revenue GREFT Surcredit

↓  
 Input the Surcredit amount here

Variance

<b>VEOLIA WATER NEW JERSEY (Sewer)</b>	
<b>Arlington Hills</b>	
Facility Charges Monthly	
<u>Residential</u>	
<u>Meter Size</u>	
5/8"	
3/4"	
1"	
1 1/2"	
2"	
3"	
4"	
6"	
8"	
<u>Apartments</u>	
1 1/2"	
2"	
3"	
<u>Commercial</u>	
5/8"	
3/4"	
1"	
1 1/2"	
2"	
3"	
4"	
6"	
8"	
Total Facility Charges	
<b><u>Water Registered Charges</u></b>	
General Metered	
Total Consumption Charges	
<b>Total Revenue from Sales</b>	

Number of Eqv Meters	<u>Surcredit</u>	Fixed Revenue
642	\$ 18.00	\$ 11,556
-	27.00	-
-	45.00	-
1	90.00	90
-	144.00	-
-	270.00	-
-	450.00	-
-	900.00	-
-	1,440.00	-
643		\$ 11,646
1	\$ 300.00	\$ 300
2	480.00	960
6	900.00	5,400
9		\$ 6,660
13	65.00	\$ 845
-	97.50	-
2	162.50	325
2	325.00	650
4	520.00	2,080
1	975.00	975
-	1,625.00	-
-	3,250.00	-
-	5,200.00	-
22		\$ 4,875
674		\$ 23,181
17%	\$ 27,615	\$ 23,181
		\$ 4,434

# Exhibit A

VEOLIA WATER NEW JERSEY, INC. ( SEWER)  
 Proof of Revenue GREFT Surcredit

↓  
 Input the Surcredit amount here

Variance

VEOLIA WATER NEW JERSEY (Sewer) <span style="float: right;">West</span>	
<b>Milford</b>	
Facility Charges Monthly	
<u>Residential</u>	
<u>Meter Size</u>	
5/8"	
3/4"	
1"	
1 1/2"	
2"	
3"	
4"	
6"	
8"	
<u>Commercial</u>	
5/8"	
3/4"	
1"	
1 1/2"	
2"	
3"	
4"	
6"	
8"	
Total Facility Charges	
<b><u>Water Registered Charges</u></b>	
General Metered	
Total Consumption Charges	
<b>Total Revenue from Sales</b>	

Number of Eq Meters	<u>Surcredit</u>	Fixed Revenue
503	\$ 18.00	\$ 9,054
-	27.00	-
-	45.00	-
-	90.00	-
-	144.00	-
-	270.00	-
-	450.00	-
-	900.00	-
-	1,440.00	-
503		\$ 9,054
3	\$ 65.00	\$ 195
-	97.50	-
-	162.50	-
1	325.00	325
-	520.00	-
1	975.00	975
-	1,625.00	-
-	3,250.00	-
-	5,200.00	-
5		\$ 1,495
508		\$ 10,549

	7%	\$	11,566		\$	10,549		\$	1,017
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# Exhibit A

VEOLIA WATER NEW JERSEY, INC. ( SEWER)  
 Proof of Revenue GREFT Surcredit

↓  
 Input the Surcredit amount here

Variance

VEOLIA WATER NEW JERSEY (Sewer) Princeton Meadows	
Facility Charges Monthly	
<u>Residential</u>	
RM1	
RM2	
RM3	
RM4	
RM5	
<u>Commercial</u>	
Commercial	
School	
Shopping Center	
<u>Industrial</u>	
Commercial	
Industrial	
<b>Total Revenue from Sales</b>	

Number of Eqv Units		Surcredit	Fixed Revenue
3,201		\$ 8.94	\$ 28,617
2,559		10.46	\$ 26,767
842		12.61	\$ 10,614
876		12.96	\$ 11,356
76		13.14	\$ 999
7,554			\$ 78,352
<b>Number of Eqv</b>			
Units	Sq Foot	Surcredit	
46	795,079	\$ 0.010000	\$ 7,951
1	45,545	0.010000	\$ 455
12	309,751	0.014000	\$ 4,337
59	1,150,375		\$ 12,743
<b>Number of Eqv</b>			
Units	Sq Foot	Surcredit	
1	21,309	\$ 0.010000	\$ 213
3	181,407	0.018800	\$ 3,410
4	202,716		\$ 3,623
<b>51%</b>			<b>\$ 81,346</b>

**Total Operating Revenue Sewer**

	<b>100%</b>	<b>\$ 159,549</b>			
	rounding	(16)	-	Variance	\$ 24
					\$ (8)

\$ (13,372)

# **EXHIBIT B**

## **Summary of GRT Review Process:**

### Monthly Accrual Process:

Monthly GRT accruals are automatically calculated in the General Ledger based on revenues multiplied by the established tax rates. When the automatic calculation was set up in the general ledger, Accounting reconfirmed the calculation was in accordance with the definitions and calculations as required by the New Jersey Division of Taxation and tested the calculation. On a monthly basis, Accounting reconfirms the current GRT tax rates using the State of New Jersey Division of Taxation website and will update the rates as needed. Once the monthly accruals are generated, the Accountant reviews the system-generated accruals for all three tax types (gross receipts, excise and franchise tax). The validation includes manually calculating the accruals (revenues multiplied by tax rates) to ensure that there are no differences in the output. The Accounting Director also reviews and provides approval for the Accountant to post the accruals to the General Ledger.

### Annual Tax Filing Process:

Annually, an Accountant prepares Form F-176: Excise Tax Report (due February 1st), which is available as a downloadable PDF on the State of New Jersey Division of Taxation website. Additionally, the Accountant prepares the Excise Tax Worksheet (due March 1st), an Excel file that includes pre-filled formulas and calculations provided annually by the Division of Taxation. The Accountant ensures the preparation aligns with the Division of Taxation's current guidelines by reviewing the forms for any changes in the calculation methodology. The Accounting Director also reviews the prepared tax forms and supporting documents, utilizing spreadsheet formula controls and balance checks. The Controller & Chief Accounting Officer reviews and signs the final tax forms and supporting documentation.

### Annual Payment Process:

The Accountant prepares payment requests for all three tax types (gross receipts, excise and franchise tax). Payment requests are reviewed and signed based on the company's Delegation of Authority ("DOA"). Upon final approval, the Accountant submits the payment requests to the Treasury department for processing. The Treasury department provides a confirmation of remittance when paid. The Accountant confirms the amounts paid match the amounts requested.