



Agenda Date: 9/24/26
Agenda Item: 9A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ECONOMIST'S OFFICE

IN THE MATTER OF THE JOINT PETITION OF	)	ORDER APPROVING
VEOLIA WATER NEW JERSEY, INC. AND LAKE	)	STIPULATION OF
LENAPE WATER CO. FOR AUTHORIZATION (i) FOR	)	SETTLEMENT AND
LAKE LENAPE WATER CO. TO DISCONTINUE	)	MUNICIPAL CONSENT
UTILITY SERVICE AND SELL UTILITY ASSETS; AND	)	
(ii) FOR VEOLIA WATER NEW JERSEY, INC. TO	)	
ACQUIRE CONTROL OF LAKE LENAPE WATER	)	
CO.'S UTILITY ASSETS AND EXPAND ITS SERVICE	)	DOCKET NO. WM25120650
AREA RELATED TO THE ACQUISITION OF ASSETS	)	

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Brian J. Yarzab, Esq., Corporate Counsel, Veolia Water New Jersey, Inc.
Adam B. Kaufman, Esq., Adam B. Kaufman & Associates, PLLC, on behalf of Lake Lenape Water Co.

BY THE BOARD:

On December 19, 2025, Veolia Water New Jersey, Inc. ("VWNJ" or "Veolia") and Lake Lenape Water Co. ("LLWC" or "Lake Lenape") (together, "Joint Petitioners") filed a joint petition with the New Jersey Board of Public Utilities ("Board") seeking approval of (i) Lake Lenape's discontinuance of utility service and sale of its water system assets to Veolia; (ii) Veolia's acquisition of control of those assets and the related expansion of its service area; and (iii) the Municipal Consent Ordinance No. 2025-17 ("Municipal Consent Ordinance") adopted on November 6, 2025, by the Township of Andover in Sussex County ("Township"), pursuant to N.J.S.A. 48:2-14, 48:2-24, 48:2-51.1, and 48:3-7, and N.J.A.C. 14:1-5.5, 14:1-5.6, and 14:1-5.14 ("Joint Petition"). By this Order, the Board considers a Stipulation of Settlement ("Stipulation") executed by the Joint Petitioners, Board Staff ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") resolving all issues in controversy in this matter.

BACKGROUND AND PROCEDURAL HISTORY

VWNJ is engaged in the business of collecting, treating, and distributing water for retail and wholesale customers and providing wastewater service to approximately 275,000 customers located in portions of Bergen, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Sussex, and Warren counties.

LLWC currently owns and operates a public drinking water system ("Water System") that serves 358 water customers located in the Township. The Water System is located within approximately five (5) miles of Lake Lenape and within Veolia's current operational footprint to provide significant operational efficiencies. The properties served by the Water System are identified on the Township Tax Assessment Map ("Properties") and described in LLWC's tariff. Lake Lenape has operated with the consent of the Township to own, construct, install, lay, relay, and maintain water pipes and to provide water service via the Water System in the Township.

JOINT PETITION

By the Joint Petition, the Joint Petitioners sought authorization from the Board for: (i) Lake Lenape's discontinuance of service, pursuant to N.J.S.A. 48:2-24; (ii) Lake Lenape's sale of the Water System assets to Veolia, and Veolia's acquisition of control of those assets, pursuant to N.J.S.A. 48:2-51.1, N.J.S.A. 48:3-7, N.J.A.C. 14:1-5.6, and N.J.A.C. 14:1-5.14; (iii) the Municipal Consent Ordinance granted by the Township to allow Veolia to provide water service via the Water System in the Township, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5; and (iv) Veolia's related expansion of its service territory to include the geographic area and customers subject to the sale (collectively, "Transaction").

According to the Joint Petition, the Joint Petitioners entered into an Asset Purchase Agreement on September 11, 2025 ("Agreement"), which provides for Veolia to purchase the assets of the Water System for a purchase price of \$500,000.00. The Water System is not currently within Veolia's existing franchise area, and therefore in the Joint Petition, Veolia sought authorization to expand its franchise area in order to own and operate the Water System and to serve customers in portions of the Township. By the Municipal Consent Ordinance, the Township permitted Veolia to provide water service to the Properties and to lay pipes and install other utility facilities as may be necessary.

Veolia proposed that it be authorized to continue to charge Lake Lenape's customers their existing rates until Veolia files its next base rate proceeding. Lake Lenape requested approval to discontinue service to customers as of the day of closing of the sale, at which time Veolia will provide service to all of Lake Lenape's existing customers.

The Joint Petitioners asserted that, pursuant to N.J.S.A. 48:2-51.1, the Transaction will result in positive benefits to customers and the State and that there would be no adverse impact on competition, rates, employees of the affected public utility, or on the provision of safe and adequate service at just and reasonable rates. The Joint Petitioners further asserted that the expansion of Veolia's service territory will not impose any negative impacts on Veolia's current customers or on Veolia's ability to provide safe and adequate service, and stated that the franchise expansion and transfer will allow Veolia to use its knowledge, expertise, and access to capital to operate the Water System in a way that will ensure safe and dependable service to its customers and moderate future rate impacts.

By Order dated March 25, 2026, the Board retained the matter for hearing, designated Commissioner Rebhorn as presiding commissioner with authority to rule on all motions and modify any schedules set during the pendency of this matter pursuant to N.J.S.A. 48:2-32, and set a deadline of April 8, 2026 for parties to file motions to intervene or participate.¹ No parties filed to intervene or participate.

After proper notice in newspapers of general circulation throughout the affected service territory, Commissioner Rebhorn conducted (2) virtual public comment hearings on the proposed merger Transaction on June 24, 2026. Several dozen members of the public participated with differing viewpoints and the Board received one (1) written public comment in support of the Transaction. Commissioner Rebhorn also conducted a Municipal Consent Ordinance public hearing on August 4, 2026. Representatives from the Company, Rate Counsel, and Staff appeared. No members of the public attended, and the Board received one (1) written public comment on this matter in support of the acquisition of the assets.

STIPULATION

Following a review of the Joint Petition, conducting discovery, and discussions, the Parties executed the Stipulation resolving all issues in this proceeding, which provides for the following:²

1. The Parties agree that Lake Lenape's sale of water system assets to Veolia, and Veolia's acquisition of control of the assets, is consistent with the criteria of N.J.S.A. 48:2-51.1 and N.J.A.C. 14:1-5.14, and the proposed asset purchase and sale should be approved by the Board. The Parties therefore recommend that the proposed asset purchase and sale be approved by the Board. When considering a transaction pursuant to N.J.S.A. 48:2-51.1 and N.J.A.C. 14:1-5.14, the Board is required to evaluate the impact of the acquisition on competition, on the rates of ratepayers affected by the acquisition of control, on the employees of the affected public utility, and on the provision of safe and adequate utility service at just and reasonable rates, and may not approve the transaction unless it is satisfied that positive benefits will flow to customers and the State of New Jersey and, at a minimum, that there are no adverse impacts on any of the criteria delineated above. Consistent therewith, the Parties agree and find as follows:
 - a. **Competition.** The proposed acquisition will have no adverse impact on competition. The proposed transaction involves the acquisition of the assets of an existing certificated water system operating within an exclusive service territory subject to the regulation and oversight of the Board. The proposed transaction will not reduce competition in any relevant market or adversely affect customer choice.
 - b. **Rates.** The proposed acquisition will have no adverse impact on the rates of ratepayers affected by the acquisition of control. Lake Lenape's customers will remain on existing rates following closing until such time as the Board approves

¹ In re the Joint Petition of Veolia Water New Jersey, Inc. and Lake Lenape Water Co. for Authorization (i) for Lake Lenape Water Co. to Discontinue Utility Service and Sell Utility Assets; and (ii) for Veolia Water New Jersey, Inc. to Acquire Control of Lake Lenape Water Co.'s Utility Assets and Expand Its Service Area Related to the Acquisition of Assets, BPU Docket No. WM25120650, Order dated March 25, 2026.

² Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions in this Order. Paragraphs are numbered to coincide with the Stipulation.

otherwise in a future base rate proceeding. The proposed transaction is not expected to result in any immediate increase in rates for Veolia's existing customers.

- c. **Employees.** The proposed acquisition will have no adverse impact on any employees of the affected public utility. Lake Lenape currently has no employees who will be displaced because of the proposed transaction. There are no employees dedicated to operating the Water System. Instead, Lake Lenape operates the Water System using an outside contractor.
- d. **Service.** The proposed acquisition will have no adverse impact on the provision of safe and adequate utility service at just and reasonable rates, and will instead positively benefit Lake Lenape's customers and the State of New Jersey in this regard. Following closing of the proposed transaction, Lake Lenape's customers will receive service from Veolia, a regulated water utility possessing substantial operational, engineering, customer service, regulatory compliance, water quality, and emergency response resources. Veolia anticipates evaluating and implementing operational and capital improvements designed to enhance system reliability, resiliency, regulatory compliance, and water quality over time. The proposed transaction is expected to improve the long-term ability of the Water System to meet applicable state and federal drinking water requirements and other regulatory obligations. The acquisition is not expected to impair Veolia's ability to continue providing safe, adequate, and proper service to its existing customers.
- e. **Positive Benefits.** Other positive benefits are expected to flow to Lake Lenape's customers and the State of New Jersey, as follows:
 - i. Lake Lenape's customers will gain access to Veolia's customer service platform, engineering expertise, operational resources, regulatory compliance programs, water quality capabilities, and emergency response infrastructure. The proposed transaction is expected to provide operational efficiencies and economies of scale that are not otherwise available to Lake Lenape as a small standalone water utility. The proposed transaction supports continued investment in water system infrastructure and promotes the long-term sustainability of utility service within Lake Lenape's service territory.
 - ii. Lake Lenape's customers will gain access to Veolia's standardized customer aid tools, such as Promise Pay for deferred payment arrangements. Customers will also have access to budget billing. Currently, Lake Lenape does not maintain formal or programmatic payment structures, relying instead on case-by-case, manual accommodations upon direct customer inquiry.
 - iii. Customers will gain access to financial assistance in times of crisis through the Veolia Cares program. Lake Lenape does not currently offer access to comparable assistance.
 - iv. Lake Lenape only accepts payment by check as a form of payment. Customers will gain access to more methods of payment, such as credit or

debit card or online autopay using a checking or money market account, in addition to mailing in a check or money order.

2. The Parties recommend that the Board approve Veolia's proposal to charge customers now served by Lake Lenape the same rates for water service as contained in Lake Lenape's tariff; and further recommend that the Board direct Veolia to file tariff sheets with the Board giving effect to these rates within ten (10) days after the closing of the asset purchase.
3. The Parties agree that Lake Lenape should be permitted to abandon the provision of water service and should be relieved of its obligations under its Board-approved tariff, and of any and all conditions or Orders of the Board applicable to Lake Lenape, upon the closing of the proposed asset sale to Veolia.
4. The Parties agree that Municipal Consent Ordinance is consistent with the criteria of N.J.S.A. 48:2-14. The Parties therefore recommend that the Municipal Consent Ordinance be approved by the Board. When considering the grant of a privilege or franchise to any public utility by a political subdivision of the State under N.J.S.A. 48:2-14, the Board is required to give its approval when, after hearing, the Board determines that the privilege or franchise is necessary and proper for the public convenience and properly conserves the public interests. Consistent therewith, the Parties agree and find that the Municipal Consent Ordinance is necessary and proper for the public convenience and properly conserves the public interest. The Board should impose a fifty (50) year limit for approval of the use of streets pursuant to N.J.S.A. 48:3-15 and, consistent with recent Board decisions, a fifty (50) year limit on the municipal consent itself.
5. The Parties recommend that the proposed revisions to Veolia's tariff setting forth Veolia's expanded service area should be approved, and further recommend that the Board direct Veolia to file tariff sheets with the Board reflecting the expanded service area within ten (10) days after the closing of the asset purchase.
6. Veolia shall submit the final closing journal entries to Staff and Rate Counsel within sixty (60) days after closing.
7. **Miscellaneous.**
 - a. For ratemaking purposes, Veolia may seek inclusion of the net utility plant value, currently estimated at \$68,788, in a future base rate proceeding. Veolia will not seek to recover the difference between the purchase price and the net utility plant value recorded at the time of closing.
 - b. A Distribution System Improvement Charge ("DSIC") surcharge will not be applied to Lake Lenape customers until the Water System has been included in a future approved DSIC Foundational Filing. Nothing in the Stipulation shall preclude Veolia from proposing future rate harmonization or tariff integration in a subsequent base rate proceeding.
 - c. Following closing, Veolia currently anticipates that significant capital investment associated with the Water System will be required to modernize the Water System over the first five (5) years following acquisition, depending upon operational assessments, regulatory requirements, PFAS-related treatment needs, permitting

considerations, and other engineering and system conditions identified post-closing. Potential improvements may include meter replacement, SCADA implementation, distribution system improvements, and water quality treatment enhancements. Nothing in the Stipulation shall constitute a guarantee, cap, or mandatory commitment regarding the amount, timing, scope, prudence, or recoverability of future capital expenditures.

DISCUSSION AND FINDINGS

N.J.S.A. 48:2-51.1(a) provides, in part, that,

[i]n considering a request for approval of an acquisition of control, the board shall evaluate the impact of the acquisition on competition, on the rates of ratepayers affected by the acquisition of control, on the employees of the affected public utility or utilities, and on the provision of safe and adequate utility service at just and reasonable rates. The board shall accompany its decision on a request for approval of an acquisition of control with a written report detailing the basis for its decision, including findings of fact and conclusions of law.

Additionally, N.J.A.C. 14:1-5.14(c) provides that

[t]he Board shall not approve a merger, consolidation, acquisition and/or change in control unless it is satisfied that positive benefits will flow to customers and the State of New Jersey and, at a minimum, that there are no adverse impacts on any of the criteria delineated in N.J.S.A. 48:2-51.1.

Further, pursuant to N.J.S.A. 48:2-24, no public utility may abandon or discontinue service without the approval of the Board, and pursuant to N.J.S.A. 48:3-7(a), the Board must determine whether the public utility, or a wholly owned subsidiary thereof, may be unable to fulfill its pension benefits obligations to any of its employees.

In addition, N.J.S.A. 48:2-14 provides that no privilege or franchise granted to any public utility by a political subdivision of this State shall be valid until approved by the Board, and that such approval shall be given when, after hearing, the Board determines that the privilege or franchise is necessary and proper for the public convenience and properly conserves the public interests. Pursuant to N.J.S.A. 48:3-15, the Board may limit the duration of the approval of the use of public streets for a period not exceeding fifty (50) years.

The Board, having reviewed the record in this matter, including the Joint Petition and the Stipulation, **HEREBY FINDS** that positive benefits will flow to customers and the State from the proposed sale of the Water System assets and Veolia's acquisition of control of those assets, and that the Transaction will not adversely impact any of the criteria delineated in N.J.S.A. 48:2-51.1(a).

The Board **HEREBY FINDS** that Lake Lenape has no employees dedicated to the operation of the Water System and no employees who will be displaced as a result of the Transaction, and that the Transaction will have no material impact on employees or their pensions.

The Board **HEREBY FINDS** that the Municipal Consent Ordinance is necessary and proper for the public convenience and properly conserves the public interests. The Board **HEREBY FINDS** that the Company has the ability to provide safe, adequate, and proper service to the Township.

The Board **HEREBY FINDS** that the Stipulation is reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation, attached hereto, as its own, incorporating by reference the terms and conditions of the Stipulation as if they were fully set forth at length herein. The Board **HEREBY APPROVES** the Transaction, including Lake Lenape's sale of the Water System assets, Veolia's acquisition of control of those assets, Veolia's related expansion of its service territory, and Lake Lenape's discontinuance of utility service upon the closing of the sale, as more fully described in the Joint Petition. Upon closing, Lake Lenape shall be relieved of its obligations under its Board-approved tariff and of any and all conditions or Orders of the Board applicable to Lake Lenape.

The Board **HEREBY APPROVES** the Municipal Consent Ordinance to expand Veolia's service territory to include the Properties in the Township, subject to a fifty (50) year limit on the approval of the use of streets pursuant to N.J.S.A. 48:3-15 and a fifty (50) year limit on the municipal consent itself. The Board **HEREBY APPROVES** the term of the Company's authority to provide water service limited to the same period as the Company's authority for the use of streets under N.J.S.A. 48:2-14 to ensure periodic municipal and Board review. The Board **FURTHER DIRECTS** that approval of the Municipal Consent Ordinance does not constitute approval of any specific main extension or plan for service as the Company must comply with all applicable laws.

The Board **FURTHER DIRECTS** that, within ten (10) days following the closing of the asset purchase, Veolia shall file tariff sheets with the Board giving effect to the rates contained in Lake Lenape's tariff and reflecting Veolia's expanded service area, consistent with this Order.

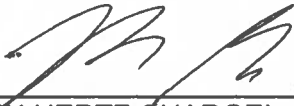
The Board **FURTHER DIRECTS** that Veolia shall submit the final closing journal entries to Staff and Rate Counsel within sixty (60) days after closing.

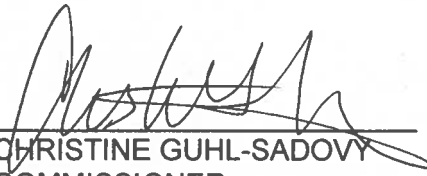
This Order shall not preclude the Board from taking any action deemed appropriate as a result of any Board audit.

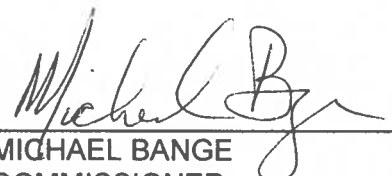
This Order shall be effective on September 30, 2026.

DATED: September 24, 2026

BOARD OF PUBLIC UTILITIES
BY:


BEN HERTZ-SHARGEL
PRESIDENT

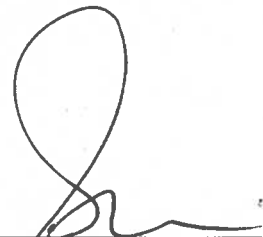

CHRISTINE GUHL-SADOVY
COMMISSIONER


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 JOINT PETITION OF VEOLIA WATER NEW JERSEY, INC. AND LAKE LENAPE WATER CO. FOR AUTHORIZATION (i) FOR LAKE LENAPE WATER CO. TO DISCONTINUE UTILITY SERVICE AND SELL UTILITY ASSETS; AND (ii) FOR VEOLIA WATER NEW JERSEY, INC. TO ACQUIRE CONTROL OF LAKE LENAPE WATER CO.'S UTILITY ASSETS AND EXPAND ITS SERVICE AREA RELATED TO THE ACQUISITION OF ASSETS

DOCKET NO. WM25120650

SERVICE LIST

Board of Public Utilities

44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, NJ 08625

Sherri L. Lewis, Board Secretary
board.secretary@bpu.nj.gov

Stacy Peterson, Deputy Executive Director
stacy.peterson@bpu.nj.gov

General Counsel's Office

Ava-Marie Madeam, General Counsel
avamarie.madeam@bpu.nj.gov

Elsbeth Faiman Hans, Deputy General Counsel
elsbeth.hans@bpu.nj.gov

TyShawn Key, Associate Counsel
tyshawn.key@bpu.nj.gov

Charles Gurkas
charles.gurkas@bpu.nj.gov

Office of the Chief Economist

Benjamin Witherell, Ph.D., Chief Economist
benjamin.witherell@bpu.nj.gov

Jackie O'Grady
jackie.ograd@bpu.nj.gov

Christine Lin
christine.lin@bpu.nj.gov

Farhana Rahman
farhana.rahman@bpu.nj.gov

Division of Revenue and Rates

Anthony DeAnni
anthony.deanni@bpu.nj.gov

Division of Engineering

Dean Taklif, Director
dean.taklif@bpu.nj.gov

John Masiello, Deputy Director
john.masiello@bpu.nj.gov

Division of Reliability and Security

Francis Gaffney, Director
francis.gaffney@bpu.nj.gov

Division of Audits

Alice Bator, Director
alice.bator@bpu.nj.gov

Paul Buhagiar
paul.buhagiar@bpu.nj.gov

Dante Cusi
dante.cusi@bpu.nj.gov

Jesse Flax
jesse.flax@bpu.nj.gov

Darren Erbe
darren.erbe@bpu.nj.gov

Division of Customer Assistance

Richard Lambert, Director
richard.lambert@bpu.nj.gov

Maureen Clerc
maureen.clerc@bpu.nj.gov

Denise Brantley
denise.brantley@bpu.nj.gov

Division of Rate Counsel

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

Brian O. Lipman, Esq., Director
blipman@rpa.nj.gov

Christine Juarez, Esq., Managing Attorney
cjuarez@rpa.nj.gov

Felicia Jackson-Rodgers
frodgers@rpa.nj.gov

LaNee Isom
lisom@rpa.nj.gov

Rate Counsel Consultant

Dante Mugrace, Senior Consultant
PCMG and Associates
90 Moonlight Court
Toms River, New Jersey 08753
dmugrace@pcmgregcon.com

New Jersey Department of Law and Public Safety

Division of Law
Public Utilities Section
R.J. Hughes Justice Complex, 7th Floor West
25 Market Street, P.O. Box 112
Trenton, NJ 08625

Terel Klein, DAG, Section Chief
terel.klein@law.njoag.gov

Pamela Owen, DAG, Assistant Section Chief
pamela.owen@law.njoag.gov

Jack Ventura, DAG
jack.ventura@law.njoag.gov

Meliha Arnautovic, DAG
meliha.arnautovic@law.njoag.gov

Rachel Reckeweg
rachel.reckeweg@law.njoag.gov

Tanya Lloyd-Samuel
tanya.lloyd-samuel@law.njoag.gov

Joint Petitioners

Veolia Water New Jersey, Inc.

461 From Road, Suite 400
Paramus, NJ 07652

Brian Yarzab, Esq., Corporate Counsel
brian.yarzab@veolia.com

Stacey Gress
Senior Director, Regulatory Business
stacey.gress@veolia.com

Jana Labella
jana.labella@veolia.com

Debra Visconti
debra.visconti@veolia.com

James Mastrokalos
james.mastrokalos@veolia.com

Alan Weland
alan.weland@veolia.com
Veolia Water New Jersey, Inc., cont'd

Elda Gil
elda.gil@veolia.com

Abbey Barksdale
abbey.barksdale@veolia.com

John Hildabrandt
john.hildabrant@veolia.com

Katherine Arp
katherine.arp@veolia.com

Lake Lenape Water Company

Jeffrey Fuller
83 Eagle Chase
Woodbury, New York 11797
jmf1294@yahoo.com

Adam B. Kaufman, Esq.
Adam B. Kaufman & Associates, PLLC
1074 Broadway, Suite 121
Woodmere, New York 11598
abk@abkattorneys.com

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

IN THE MATTER OF THE JOINT	:	
PETITION OF VEOLIA WATER NEW	:	BPU DOCKET NO. WM25120650
JERSEY, INC. AND LAKE LENAPE	:	
WATER CO. FOR AUTHORIZATION (i)	:	
FOR LAKE LENAPE WATER CO. TO	:	
DISCONTINUE UTILITY SERVICE	:	
AND SELL UTILITY ASSETS; AND (ii)	:	STIPULATION OF
FOR VEOLIA WATER NEW JERSEY,	:	SETTLEMENT
INC. TO ACQUIRE CONTROL OF	:	
LAKE LENAPE WATER CO.’S UTILITY	:	
ASSETS AND EXPAND ITS SERVICE	:	
AREA RELATED TO THE	:	
ACQUISITION OF ASSETS	:	

APPEARANCES:

Brian J. Yarzab, Esq., on behalf of Veolia Water New Jersey, Inc., Petitioner.

Adam B. Kaufman, Esq. of Adam B. Kaufman & Associates, PLLC, on behalf of Lake Lenape Water Co., Petitioner.

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

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

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

This Stipulation of Settlement (this “**Stipulation**”) fully resolves all issues raised in this proceeding in which Veolia Water New Jersey, Inc. (“**Veolia**”) and Lake Lenape Water Co. (“**Lake Lenape**” and, together with Veolia, “**Petitioners**”) are seeking approval by the New Jersey Board of Public Utilities (the “**Board**”) for Veolia to acquire the water system assets now owned and operated by Lake Lenape, together with related relief. Veolia and Lake Lenape are each public utilities regulated by the Board and subject to the jurisdiction of the Board.

The parties that have actively participated in this proceeding are as follows: Petitioners, the Staff of the Board (“**Staff**”), and the Division of Rate Counsel (“**Rate Counsel**”). As a result of an analysis of Petitioners’ Verified Joint Petition (the “**Petition**”) and exhibits, conferences, negotiations, responses to data requests, and three separate, duly noticed virtual public comment hearings, Petitioners, Rate Counsel, and Staff (collectively, the “**Parties**” and, each, a “**Party**”) have come to an agreement on all the issues in this matter.

The Parties agree that the procedural history of this matter is as follows:

On December 19, 2025, Petitioners filed the Petition, seeking the Board’s approval of (i) Lake Lenape’s discontinuance of service, pursuant to N.J.S.A. 48:2-24; (ii) Lake Lenape’s sale of water system assets to Veolia, and Veolia’s acquisition of control of the assets, pursuant to N.J.S.A. 48:2-51.1, N.J.S.A. 48:3-7, N.J.A.C. 14:1-5.6, and N.J.A.C. 14:1-5.14; (iii) the municipal consent ordinance adopted by the Township to allow Veolia to provide service within the Township, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5; and (iv) Veolia’s related expansion of its service territory to include the geographic area and customers subject to the sale as described herein.

By way of background, the Lake Lenape water system is located in the Township of Andover in Sussex County (the “**Township**”), where it provides water service to 358 customers. The properties served by the water system are identified and described in Lake Lenape’s tariff, and Lake Lenape has operated with the consent of the Township to own, construct, install, lay, relay, and maintain water pipes and to provide water service via the water system in the Township.

Pursuant to an Asset Purchase Agreement (the “**Agreement**”) dated September 11, 2025, and provided as Exhibit A to the Petition, Veolia seeks to acquire the Lake Lenape water system assets for a purchase price of \$500,000.00. By way of an Ordinance No. 2025-17 dated November

6, 2025 (the “**Municipal Consent Ordinance**”), the Township consented to Veolia providing water service to the properties served by Lake Lenape’s water system and for the laying of pipes and installation of other utility facilities as may be necessary.

The Petition was retained by the Board for consideration, and Commissioner Emma Rebhorn was assigned to hear the matter. The Parties have reviewed the Petition, responses to discovery, and public comments, and have conducted settlement discussions in an effort to reach a proposed settlement of all the issues in this proceeding. On June 24, 2026, Commissioner Rebhorn presided over two duly noticed virtual public comment hearings on the proposed transaction. On August 4, 2026, Commissioner Rebhorn presided over a duly noticed virtual public comment hearing on the Municipal Consent Ordinance. The Parties have agreed to reasonably, fully, and finally resolve all factual and legal issues in this matter by way of this Stipulation. In consideration of the recitals and mutual promises and covenants set forth herein, the Parties **DO HEREBY STIPULATE AND AGREE:**

1. The Parties agree that Lake Lenape’s sale of water system assets to Veolia, and Veolia’s acquisition of control of the assets, is consistent with the criteria of N.J.S.A. 48:2-51.1 and N.J.A.C. 14:1-5.14. The Parties therefore recommend that the proposed asset purchase and sale be approved by the Board. When considering a transaction pursuant to N.J.S.A. 48:2-51.1 and N.J.A.C. 14:1-5.14, the Board is required to evaluate the impact of the acquisition on competition, on the rates of ratepayers affected by the acquisition of control, on the employees of the affected public utility, and on the provision of safe and adequate utility service at just and reasonable rates, and may not approve the transaction unless it is satisfied that positive benefits will flow to customers and the State of New Jersey and, at a minimum, that there are no adverse impacts on any of the criteria delineated above. Consistent therewith, the Parties agree and find as follows:

a. **Competition.** The proposed acquisition will have no adverse impact on competition. The proposed transaction involves the acquisition of the assets of an existing certificated water system operating within an exclusive service territory subject to the regulation and oversight of the Board. The proposed transaction will not reduce competition in any relevant market or adversely affect customer choice.

b. **Rates.** The proposed acquisition will have no adverse impact on the rates of ratepayers affected by the acquisition of control. Lake Lenape's customers will remain on existing rates following closing until such time as the Board approves otherwise in a future base rate proceeding. The proposed transaction is not expected to result in any immediate increase in rates for Veolia's existing customers.

c. **Employees.** The proposed acquisition will have no adverse impact on any employees of the affected public utility. Lake Lenape currently has no employees who will be displaced because of the proposed transaction. There are no employees dedicated to operating the Lake Lenape water system. Instead, Lake Lenape operates the water system using an outside contractor.

d. **Service.** The proposed acquisition will have no adverse impact on the provision of safe and adequate utility service at just and reasonable rates, and will instead positively benefit Lake Lenape's customers and the State of New Jersey in this regard. Following closing of the proposed transaction, Lake Lenape's customers will receive service from Veolia, a regulated water utility possessing substantial operational, engineering, customer service, regulatory compliance, water quality, and emergency response resources. Veolia anticipates evaluating and implementing operational and capital improvements designed to enhance system reliability, resiliency, regulatory compliance, and water quality over time. The proposed

transaction is expected to improve the long-term ability of the Lake Lenape system to meet applicable state and federal drinking water requirements and other regulatory obligations. The acquisition is not expected to impair Veolia's ability to continue providing safe, adequate, and proper service to its existing customers.

e. **Positive Benefits.** Other positive benefits are expected to flow to Lake Lenape's customers and the State of New Jersey, as follows:

i. Lake Lenape's customers will gain access to Veolia's customer service platform, engineering expertise, operational resources, regulatory compliance programs, water quality capabilities, and emergency response infrastructure. The proposed transaction is expected to provide operational efficiencies and economies of scale that are not otherwise available to Lake Lenape as a small standalone water utility. The proposed transaction supports continued investment in water system infrastructure and promotes the long-term sustainability of utility service within Lake Lenape's service territory.

ii. Lake Lenape's customers will gain access to Veolia's standardized customer aid tools, such as Promise Pay for deferred payment arrangements. Customers will also have access to budget billing. Currently, Lake Lenape does not maintain formal or programmatic payment structures, relying instead on case-by-case, manual accommodations upon direct customer inquiry.

iii. Customers will gain access to financial assistance in times of crisis through the Veolia Cares program. Lake Lenape does not currently offer access to comparable assistance.

iv. Lake Lenape only accepts payment by check as a form of payment. Customers will gain access to more methods of payment, such as credit or debit card or online

autopay using a checking or money market account, in addition to mailing in a check or money order.

2. The Parties recommend that the Board approve Veolia's proposal to charge customers now served by Lake Lenape the same rates for water service as contained in Lake Lenape's tariff; and further recommend that the Board direct Veolia to file tariff sheets with the Board giving effect to these rates within 10 days after the closing of the asset purchase.

3. The Parties agree that Lake Lenape should be permitted to abandon the provision of water service and should be relieved of its obligations under its Board-approved tariff, and of any and all conditions or Orders of the Board applicable to Lake Lenape, upon the closing of the proposed asset sale to Veolia.

4. The Parties agree that the Municipal Consent Ordinance is consistent with the criteria of N.J.S.A. 48:2-14. The Parties therefore recommend that the Municipal Consent Ordinance be approved by the Board. When considering the grant of a privilege or franchise to any public utility by a political subdivision of the State under N.J.S.A. 48:2-14, the Board is required to give its approval when, after hearing, the Board determines that the privilege or franchise is necessary and proper for the public convenience and properly conserves the public interests. Consistent therewith, the Parties agree and find that the Municipal Consent Ordinance is necessary and proper for the public convenience and properly conserves the public interest. The parties recommend that, in its order, the Board impose a fifty year limit for approval of the use of streets pursuant to N.J.S.A. 48:3-15, and consistent with recent BPU decisions, a fifty year limit on the municipal consent itself.

5. The Parties recommend that the proposed revisions to Veolia's tariff setting forth Veolia's expanded service area be approved, and further recommend that the Board direct Veolia

to file tariff sheets with the Board reflecting the expanded service area within 10 days after the closing of the asset purchase.

6. Veolia shall submit the final closing journal entries to Staff and Rate Counsel within 60 days after closing.

7. **Miscellaneous.**

a. For ratemaking purposes, Veolia may seek inclusion of the net utility plant value, currently estimated at \$68,788, in a future base rate proceeding. Veolia will not seek to recover the difference between the purchase price and the net utility plant value recorded at the time of closing.

b. A DSIC surcharge will not be applied to Lake Lenape customers until the Lake Lenape system has been included in a future approved DSIC Foundational Filing. Nothing herein shall preclude Veolia from proposing future rate harmonization or tariff integration in a subsequent base rate proceeding.

c. Following closing, Veolia currently anticipates significant capital investment associated with the Lake Lenape system over the first five years following acquisition, depending upon operational assessments, regulatory requirements, PFAS-related treatment needs, permitting considerations, and other engineering and system conditions identified post-closing. Potential improvements may include meter replacement, SCADA implementation, distribution system improvements, and water quality treatment enhancements. Nothing herein shall constitute a guarantee, cap, or mandatory commitment regarding the amount, timing, scope, prudence, or recoverability of future capital expenditures.

8. The Parties recommend that the Board consider the above-stipulated terms and all agreed-upon issues embodied in this Stipulation at its next regularly scheduled public agenda meeting.

9. This Stipulation is the product of extensive negotiations by the Parties, and it is an express condition of the 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 that this settlement, once accepted and approved by the Board, shall govern all issues specified and agreed to therein. The Parties specifically agree that if adopted in its entirety by the Board, no appeal shall be taken by them from the Order adopting the same as to those issues upon which the Parties have stipulated herein. The Parties agree that this Stipulation reflects mutual balancing of 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 state that they would not have signed this Stipulation had any terms been modified in any way. In the event any aspect of this Stipulation is not accepted or approved by the Board, then any Party hereto materially affected thereby shall not be bound to proceed under this Stipulation.

10. This Stipulation is made exclusively for purposes of resolving the issues in this proceeding. Neither the making of the Stipulation, nor any provision hereof, nor any conduct related thereto, shall be deemed to constitute precedent or be binding upon the Parties in any other proceeding, except as necessary to enforce the terms of this Stipulation. Except as expressly provided herein, nothing in this Stipulation shall be deemed to waive, limit, prejudice, or otherwise affect any position that any Party may take in any future proceeding.

11. Nothing in this Stipulation shall constitute an admission by Veolia regarding the historical condition, operation, management, compliance status, or adequacy of the Lake Lenape water system prior to the closing of the transaction.

12. Submission of journal entries or accounting information pursuant to this Stipulation is for informational purposes only and shall not, by itself, constitute Board approval of any specific ratemaking or accounting treatment in any future proceeding.

13. The Parties further recommend to the Board that an Order issued as a result of this Stipulation shall not be construed as directly or indirectly fixing for any purposes whatsoever any value of any tangible or intangible water utility assets now owned or hereafter to be owned by Veolia.

14. Except as expressly provided herein, Petitioners, Staff, or Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle underlying or supposed to underlie any agreement provided herein. This Stipulation, in total or by specific item, is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

15. 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.

[Signature page follows.]

The parties hereto have executed this Stipulation on the dates appearing beside their respective signatures.

VEOLIA WATER NEW JERSEY, INC.

By: _____

Date: August _____, 2026

Name: Brian J. Yarzab, Esq.
Title: Corporate Counsel

LAKE LENAPE WATER CO.

By: _____

Date: August _____, 2026

Name: Adam B. Kaufman, Esq., Counsel for Lake Lenape Water Co.

**JENNIFER DAVENPORT, ATTORNEY
GENERAL OF NEW JERSEY, Attorney
for the Staff of the Board of Public Utilities**

By: _____

Date: August 25, 2026

Name: Meliha Arnautovic DAG
Title: Deputy Attorney General

**BRIAN O. LIPMAN, DIRECTOR, NEW
JERSEY DIVISION OF RATE
COUNSEL**

By: _____

Date: August _____, 2026

Name: Christine Juarez, Esq.
Title: Deputy Rate Counsel

[Signature page to Stipulation of Settlement.]

The parties hereto have executed this Stipulation on the dates appearing beside their respective signatures.

VEOLIA WATER NEW JERSEY, INC.

By:



Date: August 24, 2026

Name: Brian J. Yarzab, Esq.

Title: Corporate Counsel

LAKE LENAPE WATER CO.

By:

Date: August _____, 2026

Name: Adam B. Kaufman, Esq., Counsel for Lake Lenape Water Co.

**JENNIFER DAVENPORT, ATTORNEY
GENERAL OF NEW JERSEY, Attorney
for the Staff of the Board of Public Utilities**

By:

Date: August _____, 2026

Name: Meliha Arnautovic, Esq.

Title: Deputy Attorney General

**BRIAN O. LIPMAN, DIRECTOR, NEW
JERSEY DIVISION OF RATE
COUNSEL**

By:

Date: August _____, 2026

Name: Christine Juarez, Esq.

Title: Deputy Rate Counsel

[Signature page to Stipulation of Settlement.]

The parties hereto have executed this Stipulation on the dates appearing beside their respective signatures.

VEOLIA WATER NEW JERSEY, INC.

By: _____

Date: August _____, 2026

Name: Brian J. Yarzab, Esq.
Title: Corporate Counsel

LAKE LENAPE WATER CO.

By: _____

Date: August 21, 2026

Name: Adam B. Kaufman, Esq., Counsel for Lake
Lenape Water Co.

**JENNIFER DAVENPORT, ATTORNEY
GENERAL OF NEW JERSEY, Attorney
for the Staff of the Board of Public Utilities**

By: _____

Date: August _____, 2026

Name: Meliha Arnautovic, Esq.
Title: Deputy Attorney General

**BRIAN O. LIPMAN, DIRECTOR, NEW
JERSEY DIVISION OF RATE
COUNSEL**

By: _____

Date: August 26, 2026

Name: Christine Juarez, Esq.
Title: Deputy Rate Counsel

[Signature page to Stipulation of Settlement.]

**TOWNSHIP OF ANDOVER
SUSSEX COUNTY, NEW JERSEY**

ORDINANCE #2025-17

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

WHEREAS, the Township has received concerns from residents who are serviced by Lake Lenape Water Company as to the condition of infrastructure and service; and

WHEREAS, the properties identified on Exhibit A annexed hereto on the Township of Andover Tax Assessment Map (the "Properties") have historically received water service from Lake Lenape Water Company and the seller has entered into an agreement of sale to Veolia; and

WHEREAS, 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 Andover; and

WHEREAS, Veolia is presently seeking an expanded municipal consent of the Township to permit Veolia to provide water treatment, storage and conveyance service throughout the area of town formerly served by Lake Lenape Water Company; and

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

WHEREAS, Veolia desires to secure the consent of the Township 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 continued water service.

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

Section 1. Veolia is hereby given the exclusive and perpetual consent and permission to furnish water conveyance 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 purchases, subject to such additional approvals or consents the law may require, within the lands and premises hereinafter designated and under all public service roads, streets, alleys, or places abutting same for the purpose of providing water service.

Section 2. That exclusive and perpetual consent and permission to serve the properties identified in Exhibit A annexed hereto, 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 in the public property described herein in order to provide said water service.

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. The Mayor and the Municipal Clerk of the Township are authorized to execute the documents and agreements necessary to effectuate this municipal consent.

Section 5. Should any part, portion or provision of this 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 6. All ordinances or parts of ordinances inconsistent herewith are hereby repealed.

Section 7. This ordinance shall take effect immediately upon publication and final passage according to law.

NOTICE OF PENDING ORDINANCE

PUBLIC NOTICE is hereby given that the foregoing Ordinance was introduced and passed at first reading at a Regular Meeting of the Township Committee of the Township of Andover held on October 02, 2025. A public hearing regarding same will be held at a hybrid meeting scheduled for November 06, 2025, beginning at 7:00PM, to be held both in person and virtually via Zoom, which details for accessing the meeting are as follows:

Join Zoom Meeting

<https://us02web.zoom.us/j/87254161139?pwd=clpxquJenStqV2UdGflzG1fTO4q9kD.1>

Webinar ID: 872 5416 1139

Passcode: 275014

Phone: +1 305 224 1968

All persons interested both for and against said ordinance shall be given an opportunity to be heard concerning same.

Patricia L. Bussow, RMC
Administrator/Municipal Clerk

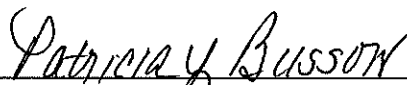
**TOWNSHIP OF ANDOVER
SUSSEX COUNTY, NEW JERSEY**

ORDINANCE #2025-17

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

NOTICE OF FINAL ADOPTION

PUBLIC NOTICE is hereby given that the foregoing Ordinance was adopted at a public hearing held at a Hybrid Meeting of the Township Committee of the Township of Andover on November 06, 2025. Said Hybrid Meeting was held virtually via Zoom and in person at the Municipal Building, 134 Newton Sparta Road, Newton, NJ 07860, at which time all persons were given the opportunity to be heard concerning same. This Ordinance shall take effect immediately upon publication, as required by law.



Patricia L. Bussow, RMC
Administrator/Municipal Clerk

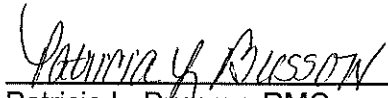
AFFIDAVIT OF ADVERTISING & POSTING PUBLIC NOTICE OF THE HEARING FOR
ORDINANCE #2025-17 PROVIDING FOR THE MUNICIPAL CONSENT OF THE
TOWNSHIP FOR VEOLIA WATER NEW JERSEY INC. TO PROVIDE WATER SERVICE TO
CERTAIN PEOPERTIES, WHICH IS BEING HELD ON NOVEMBER 06, 2025

October 22, 2025

I, Patricia L. Bussow, hereby certify that this ordinance was properly advertised in the New Jersey Herald on October 9th and October 17th.

I further certify that on October 22, 2025, notices were posted in the following five locations, located in the Township of Andover:

1. The Andover Township Municipal Building- 134 Newton Sparta Road
2. The Hillside House – 146 Lake Iliff Road
3. The Hillside Barn – 146 Lake Iliff Road
4. The Andover Township Police Department – 145 Lake Iliff Road
5. First Hope Bank – 161 Newton Sparta Road


Patricia L. Bussow, RMC
Administrator/Municipal Clerk

STATE OF NEW JERSEY
COUNTY OF SUSSEX

BE IT REMEMBERED, THAT ON THIS 22ND DAY OF OCTOBER, 2025, BEFORE ME, A NOTARY PUBLIC OF NEW JERSEY, PERSONALLY APPEARED PATRICIA L. BUSSOW, ADMINISTRATOR/MUNICIPAL CLERK OF THE TOWNSHIP OF ANDOVER, IN THE COUNTY OF SUSSEX, SATE OF NEW JERSEY, WHO I AM SATISFIED IS THE INDIVIDUAL DESCRIBED HEREIN, AND WHO EXECUTED THE ABOVE AFFIDAVIT; AND HAVING MADE KNOWN TO HER THE CONTENTS THEREOF, SHE THEREUPON ACKNOWLEDGED TO ME THAT SHE SIGNED, SEALED AND DELIVERED THE SAME AS HER VOLUNTARY ACT AND DEED, FOR THE SUSES AND PURPUSES THEREIN EXPRESSED.

NOTARY SIGNATURE:



EXPIRATION:

04/05/26

KAITLIN N. JESPERSEN
Notary Public, State of New Jersey
My Commission Expires 04/05/2026

