

April 17, 2023

VIA ELECTRONIC MAIL

Sherri L. Golden Secretary of the Board South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350

Re: In the Matter of the Petition of New Jersey-American Water Company, Inc. for Approval of a Municipal Consent Granted by the Township of Bridgewater, Somerset County

Dear Secretary Golden:

Enclosed please find a Petition filed on behalf of New Jersey-American Water Company, Inc. in connection with the above-referenced matter.

Kindly file the Petition and advise of the docket number assigned to this case.

Very truly yours,

Christopher M. Arfaa

CFA:dlc

Enc.

cc: Attached service list (via email, w/enc.)

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I/M/O the Petition of New Jersey American Water Company, Inc. for Approval of a Municipal Consent Granted by the Township of Bridgewater, Somerset County

BPU Docket No. WE2304

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BEFORE THE STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF NEW JERSEY-AMERICAN WATER COMPANY, INC. FOR APPROVAL OF A MUNICIPAL CONSENT GRANTED BY THE TOWNSHIP OF BRIDGEWATER, COUNTY OF SOMERSET

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BPU DOCKET NO. WE23_____

TO: THE HONORABLE BOARD OF PUBLIC UTILITIES

Petitioner, New Jersey-American Water Company, Inc. ("NJAWC", "Company", or "Petitioner"), a duly organized and existing public utility corporation of the State of New Jersey, with its principal office at 1 Water Street, Camden, New Jersey 08102, hereby petitions the Board of Public Utilities ("Board") for approval, pursuant to N.J.S.A. 48:2-14, N.J.S.A. 48:19-17, N.J.S.A. 48:19-20 and N.J.A.C. 14:1-5.5, and such other regulations and statutes as may be deemed applicable and appropriate by the Board, of a municipal consent ordinance (the "Municipal Consent") granted to NJAWC by the Township of Bridgewater, County of Somerset (the "Township") to serve the portion of the Township currently served by the Borough of Somerville ("Somerville").

The Municipal Consent is granted in anticipation of the sale of Somerville's wastewater collection system (the "Somerville System"). In furtherance of this Petition, NJAWC states as follows:

¹ On March 29, 2023, NJAWC filed a Petition with the Board for approval of the municipal consent granted by Somerville to provide wastewater services to the Somerville System. <u>I/M/O the Petition of New Jersey-American Water Company, Inc. for Approval of a Municipal Consent Granted by the Borough of Somerville, Somerset County, Board Docket No. WE23030197.</u>

- 1. NJAWC is a regulated public utility corporation engaged in the production, treatment and distribution of water and collection of sewage within its defined service territory within the State of New Jersey. Said service territory includes portions of the following counties: Atlantic, Bergen, Burlington, Camden, Cape May, Essex, Gloucester, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Salem, Somerset, Union and Warren.
- 2. Bridgewater is a Township in Somerset County, New Jersey. NJAWC already provides water service to the Township by virtue of previous ordinances adopted by the Township and municipal consent petitions approved by the Board.
- 3. By this Petition, NJAWC is seeking approval of the Municipal Consent (officially Municipal Consent Ordinance No. 23-07) introduced by Bridgewater on March 16, 2023 and adopted on March 30, 2023. The Municipal Consent was introduced and adopted pursuant to N.J.S.A. 48:3-11 to 15, and N.J.S.A. 48:13-11 to permit Petitioner to construct, lay, maintain, and operate the necessary wastewater mains, pipes and appurtenances throughout the geographical area of the Township as noted in the Municipal Consent (the "Proposed Franchise Area") and to provide wastewater collection services to the residents, businesses and government buildings formerly served by Somerville. A copy of the Municipal Consent including a map of the Proposed Franchise Area is attached hereto as Exhibit A and incorporated into this Petition by reference.
- 4. Thus, the governing body of the Township has decided that it is in the public interest for the portion of the Somerville System that serves the Township to be owned and operated by the Petitioner. As a result of the acquisition, the governing body realizes that the Somerville System will be operated by a company that is part of the largest provider of regulated water and wastewater services in the United States. The customers in the Proposed Franchise Area will benefit from the industry practices followed by Petitioner and its parent organization, Petitioner's provision of high-

quality and reliable service, and Petitioner's access to financial resources to maintain and improve the Somerville System.

- 5. The Somerville System serves approximately 43 connections in Bridgewater Township, all of which already receive water service from NJAWC.
- 6. By this Petition, NJAWC is only seeking approval by the Board of the Municipal Consent. The Company is not, at this time, seeking any ratemaking treatment relative to the Somerville System. Rather, in a separate docket, NJAWC will seek ratemaking recognition for the Somerville System, as part of its general base rate proceeding.
- 7. Approval of the Municipal Consent submitted to the Board with this Petition will serve the public interest by permitting NJAWC to provide wastewater utility service within the Township, and to leverage its experience, expertise, and economies of scale to benefit the customers of the Township and of NJAWC. NJAWC's significant resources will support more efficient service as well as provide additional system reliability to the Township.
- 8. For the reasons stated above, the privileges granted by the Municipal Consent are necessary and proper for the public convenience and properly conserve the public interests as required by N.J.S.A. 48:2-14. Therefore, the Board should approve the Municipal Consent, and leave any ratemaking issues to be addressed in a base rate case to be filed by Petitioner.
- 9. Petitioner has not yet commenced wastewater service within the service area of the Township covered by the Municipal Consent.

WHEREFORE, Petitioner respectfully requests that the Board approve Ordinance No. 23-07 of the Township of Bridgewater, County of Somerset, and grant such other and further relief as the Board may deem reasonable and appropriate under the circumstances.

Respectfully submitted,

NEW JERSEY-AMERICAN WATER COMPANY, INC.

Dated: April 17, 2023

Christopher M. Arfaa, Esquire

Communications addressed to the Petitioner in this case are to be sent to:

Christopher M. Arfaa, Esq.
Corporate Counsel
New Jersey-American Water Company, Inc.
1 Water Street
Camden, NJ 08102
856.955.4116
chris.arfaa@amwater.com

VERIFICATION

STATE OF NEW JERSEY

SS.

COUNTY OF CAMDEN

I, JOHN S. TOMAC, of full age, being duly sworn according to law, upon my oath depose and say:

- 1. I am the Senior Director of Rates and Regulatory of New Jersey-American Water Company, Inc., the Petitioner herein, and am authorized to make this verification on behalf of said Petitioner.
- 2. I have read the contents of the foregoing Petition as to New Jersey-American Water Company, Inc. and hereby verify that the statements therein contained are true and accurate to the best of my knowledge and belief.

John S. Tomac

Senior Director, Rates & Regulatory

Sworn to and subscribed before me this 17th day of April, 2023.

Notary Public

Donna Carney Notary Public State of New Jersey

My Commission Expires May 24, 2023

TOWNSHIP OF BRIDGEWATER

AN ORDINANCE GRANTING CONSENT AND PERMISSION TO NEW JERSEY AMERICAN WATER COMPANY, INC. TO FURNISH WASTEWATER COLLECTION AND CONVEYANCE SERVICE IN A PORTION OF THE TOWNSHIP OF BRIDGEWATER, NEW JERSEY

WHEREAS, the Township of Bridgewater, County of Somerset and State of New Jersey (the "Township"), hereby grants consent and permission to New Jersey-American Water Company, Inc. ("NJAW"), a New Jersey corporation to furnish wastewater service within a portion of the Township; and

WHEREAS, NJAW is in the process of acquiring the wastewater system (the "System") currently owned and operated by the Borough of Somerville ("Somerville") subject to regulatory approvals; and

WHEREAS, Somerville is desirous of having NJAW acquire the System; and

WHEREAS, the Somerville System currently provides wastewater service to 43 customers located in the Township in the area shown on the map attached hereto as Schedule A; and

WHEREAS, these Bridgewater residents have historically been customers of the Somerville System, and following the completion of the acquisition of the Somerville System by NJAW, these Bridgewater residents will become customers of NJAW; and

WHEREAS, the Bridgewater residents who are currently served by the Somerville System, and who will continue to be served by said System and become customers of NJAW upon completion of the acquisition will, with approval by the Board of Public Utilities of the State of New Jersey, be subject to the seven year rate plan provided for in the agreement of sale; and

WHEREAS, the rate plan will hold current sewer rates of the Somerville System for two years following closing, then increase rates no more than 3 percent annually for the next three years, and then no more than 4 percent annually for the following two years; and

WHEREAS, NJAW is a regulated public utility corporation of the State of New Jersey currently providing water service to the Township and seeking the municipal consent of the Township to permit NJAW to provide wastewater collection and conveyance service through the Somerville System to a portion of the Township currently served by the Somerville System; and

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

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

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

WHEREAS, the Mayor and Council of the Township have concluded that granting of said consent shall enhance the health, safety and welfare of the citizens of the Township.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWNSHIP AS FOLLOWS:

- Section 1. That exclusive and perpetual consent and permission to furnish wastewater collection and conveyance for those residents, businesses and government buildings in the area of the Township on **Schedule A (the "Proposed Franchise Area")** is hereby given and granted to NJAW, its successors and assigns for the maximum duration permitted by law, subject to the permission by the Board of Public Utilities of the State of New Jersey.
- Section 2. That exclusive consent and permission is given to NJAW, 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 NJAW to own and operate the System, add to, extend, replace, operate and maintain said System in the public property described herein in order to provide said wastewater collection and conveyance service. This shall include permission to lay pipes beneath the public roads, streets, public property and public places. The consent to use the Township streets is limited by statute to fifty (50 years).
- Section 3. That a certified copy of this Ordinance, upon final passage, shall be sent to NJAW, the New Jersey Department of Environmental Protection and the Board of Public Utilities of the State of New Jersey.
- Section 4. That the consent granted herein shall be subject to NJAW complying with all applicable laws of the Township and/or the State of New Jersey including, but not limited to, any and all applicable statutes and administrative agency rules and/or regulations and contingent upon the Borough and NJAW completing the acquisition of the Somerville System.
- Section 5. The Mayor and the Administrator of the Township are authorized to execute the documents and agreements necessary to effectuate this municipal consent.

Exhibit A Page 3 of 4

Section 5. Each section, subsection, sentence, clause and phrase of this Ordinance is declared to be an independent section, subsection, sentence, clause and phrase, and the finding or holding of any such portion of this Ordinance to be unconstitutional, void, or ineffective for any cause, or reason, shall not affect any other portion of this Ordinance.

Section 6. All ordinances or parts of ordinances inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

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

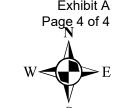
BE IT FURTHER ORDAINED, that this Ordinance shall take effect upon passage and publication.

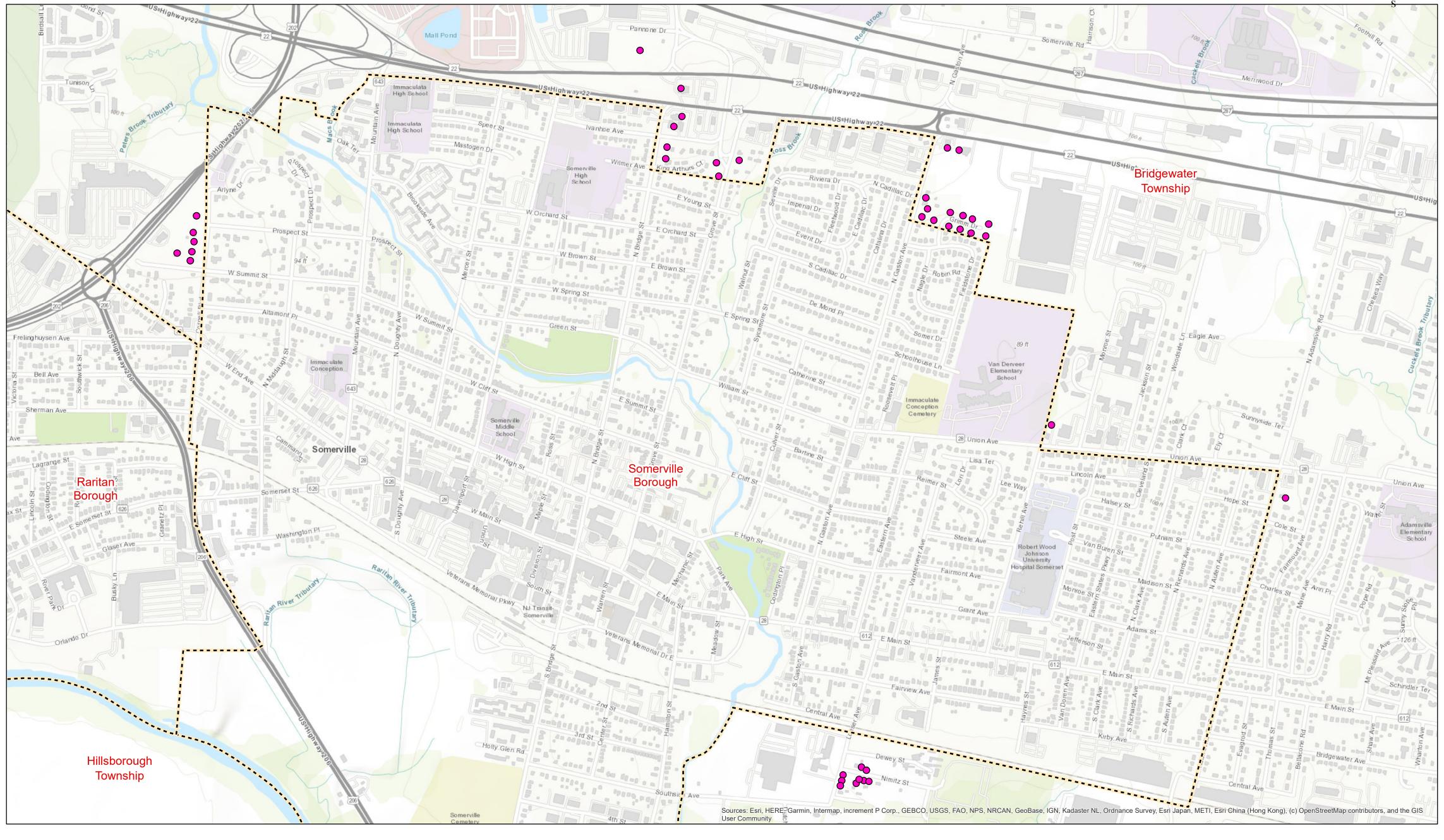
Adopted: March 30, 2023 Effective: April 19, 2023

SCHEDULE A

PROPOSED FRANCHISE AREA MAP

Bridgewater Customers Billed by Somerville





0 900 1,800 3,600 Feet

NEW JERSEY AMERICAN WATER

Bridgewater CustomersMunicipalities

New Jersey American Proprietary and Confidential