



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

WATER

IN THE MATTER OF THE PETITION OF NEW JERSEY-)
AMERICAN WATER COMPANY, INC. FOR RECOVERY)
OF REGULATORY ASSET ESTABLISHED FOR)
INCREMENTAL COVID-19 RELATED EXPENSES, AND)
FOR ESTABLISHMENT OF AN UNCOLLECTIBLE)
ADJUSTMENT CLAUSE)

ORDER ADOPTING
PROCEDURAL SCHEDULE
DOCKET NO. WR23050275

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Christopher M. Arfaa, Esq., Managing Counsel, New Jersey-American Water Company, Inc.
Martin C Rothfelder, Esq., on behalf of Cogen Technologies Linden Venture, L.P., Johanna Foods, Inc., Phillips 66 Company, and Princeton University

BY COMMISSIONER MARIAN ABDOU:

BACKGROUND

On July 2, 2020, the New Jersey Board of Public Utilities (“Board”) issued an Order authorizing the State’s utilities (“Utilities”) to create a COVID-19 regulatory asset by allowing the deferral of incremental and prudently incurred COVID-19-related costs.¹ The July 2020 Order further required:

1. Each utility with a COVID-19 regulatory asset account to file with the Board quarterly reports, together with a verification by an authorized representative, detailing its COVID-19-related costs and offsets; and
2. All affected utilities to file a petition with the Board by December 31, 2021, or within 60 days of the close of the Regulatory Asset Period, either addressing any potential rate recovery of the utility’s COVID-19 regulatory asset, including any prudency determinations, and the appropriate period of recovery for any approved amount of the regulatory asset and any associated savings; or requesting that the Board defer consideration of COVID-19 regulatory asset rate recovery until a future base rate case.

¹ In re the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order dated July 2, 2020 (“July 2020 Order”).

Through a series of Orders, the Board extended the Regulatory Asset Period until March 15, 2023, and the deadline to file for recovery of costs until July 17, 2023, and directed the Utilities to each file a formal plan detailing certain information related to the Regulatory Asset Period.²

By Order dated June 7, 2023, the Board required that all filings for cost recovery of COVID-19 regulatory asset balances be evaluated on a case-by-case basis, whether as part of a base rate case or a separate proceeding, to ensure an equitable determination specifically tailored for each individual utility seeking cost recovery and further set forth requirements for such filings.³

On April 28, 2023, New Jersey-American Water Company, Inc. (“NJAWC” or “Company”) filed a petition with the Board seeking authorization to recover its COVID-19-related net deferred costs over a three (3)-year period through an annual Special Program Charge (“Petition”). By the Petition, NJAWC also requested approval to establish an Uncollectible Adjustment Clause (“UAC”) in response to effects of uncollectible expenses created by the COVID-19 moratorium.

On June 21, 2023, in accordance with the June 2023 Order, NJAWC filed an amended petition (“Amended Petition”), proposing to collect COVID-19-related net deferred costs over a three (3)-year period.

By Order dated December 20, 2023, the Board granted Cogen Technologies Linden Venture L.P., Phillips 66 Company, Princeton University, and Johanna Foods, Inc.’s Motions to Intervene in this matter and designated myself, Commissioner Marian Abdou, as presiding commissioner with authority to rule on all motions and set all schedules as necessary during the pendency of this proceeding.⁴

By letter dated February 9, 2024, with the consent of all parties, the Company submitted a proposed procedural schedule in this matter (“Proposed Schedule”).

DISCUSSION AND FINDINGS

After reviewing the Proposed Schedule, I **HEREBY ADOPT** the procedural schedule identified in Exhibit A, and **HEREBY DIRECT** the parties to comply with its terms.

In compliance with the Board’s Orders in Docket No. EO20030254, I **FURTHER DIRECT** all parties to serve all documents electronically.

I **FURTHER DIRECT** that this Order be posted on the Board’s website.

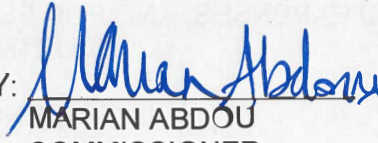
² In re the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order dated September 14, 2021; In re the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order dated December 21, 2022; In re the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic, Order Extending the Deadline for the Filing of Petitions for the Recovery of COVID-19 Regulatory Assets, BPU Docket No. AO20060471, Order dated May 10, 2023.

³ In re the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic, BPU Docket No. AO20060471, Order dated June 7, 2023 (“June 2023 Order”).

⁴ In re the Petition of New Jersey-American Water Company, Inc. for Recovery of Regulatory Asset Established for Incremental COVID-19 Related Expenses, and for Establishments of an Uncollectible Adjustment Clause, BPU Docket No. WR23050275, Order dated December 20, 2023.

This provisional ruling is subject to ratification or other alteration by the Board as it deems appropriate during the proceedings in this matter.

DATED: 3/13/2024

BY: 
MARIAN ABDOU
COMMISSIONER

IN THE MATTER OF THE PETITION OF NEW JERSEY-AMERICAN WATER COMPANY, INC.
FOR RECOVERY OF REGULATORY ASSET ESTABLISHED FOR INCREMENTAL COVID-19
RELATED EXPENSES, AND FOR ESTABLISHMENT OF AN UNCOLLECTIBLE
ADJUSTMENT CLAUSE

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Exhibit A
Procedural Schedule

Settlement Negotiations	February 14, February 21, 2024 ¹
Public Hearings (Virtual)	March 13, 2024
Rate Counsel and Intervenor Testimony Served	April 2, 2024
Discovery on Rate Counsel/Intervenor Testimony Served	April 12, 2024 ²
Answers to Discovery on Rate Counsel/Intervenors' Testimony Served	April 26, 2024
Rebuttal Testimony Served	May 3, 2024
Discovery on Rebuttal Testimony Served	May 13, 2024
Answers to Rebuttal Testimony Served	May 23, 2024
Week of June 3 or 10, 2024	Evidentiary Hearings

¹ Settlement discussions are ongoing and will continue throughout this matter, the parties will schedule further discussions as needed.

² The parties agree that discovery is ongoing and will endeavor to answer all discovery within 15 days of service. The parties reserve their rights to assert objections to discovery based upon the New Jersey Administrative Code or other applicable law.

IN THE MATTER OF THE PETITION OF NEW JERSEY-AMERICAN WATER COMPANY, INC. FOR RECOVERY OF REGULATORY ASSET ESTABLISHED FOR INCREMENTAL COVID-19 RELATED EXPENSES, AND FOR ESTABLISHMENT OF AN UNCOLLECTIBLE ADJUSTMENT CLAUSE

BPU DOCKET NO. WR23050275

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