Agenda Date: 06/10/20 Agenda Item: VA



STATE OF NEW JERSEY Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350 www.nj.gov/bpu/

IN THE MATTER OF THE PETITION OF AQUA NEW JERSEY, INC. FOR APPROVAL OF AN INCREASE IN RATES FOR WASTEWATER SERVICE AND OTHER TARIFF CHANGES <u>WATER</u>

ORDER FURTHER SUSPENDING INCREASES, CHANGES OR ALTERATIONS IN RATES FOR SERVICE

DOCKET NO. WR20010056 OAL DOCKET NO. PUC 01318-2020S

Parties of Record

Courtney L. Schultz, Esq., Saul Ewing Arnstein & Lehr LLP, on behalf of Aqua New Jersey, Inc. Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On January 21, 2020, Aqua New Jersey, Inc. ("Company" or "Petitioner"), a public utility of the State of New Jersey, filed with the Board of Public Utilities ("Board"), pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21, N.J.A.C. 14:1-5.7, and N.J.A.C. 14:1-5.12, a petition seeking to increase rates for wastewater service in the amount of \$1,089,968 or 22.2% above the annual level of revenues for the test year ending April 30, 2020.

Petitioner provides wastewater service¹ through the operation of several wastewater systems located throughout the State of New Jersey. The Company has generally organized its water and wastewater business by the following divisions: the Northern Division (based in Phillipsburg), the Central Division (Based in Hamilton), the Eastern Division (based in Berkeley), and the Southern Division (based in Blackwood). The Company's wastewater facilities are located in its Northern, Central and Southern Divisions.

The increase in rates is proposed to become effective on February 21, 2020. The Petitioner also indicates that it intends to implement the proposed rates on October 21, 2020, on an interim basis, following the expiration of the suspension periods, if the Board has not then issued a final agency decision in this matter, pursuant to N.J.S.A. 48:2-21.

¹The Petitioner serves approximately 6,281 wastewater customers.

According to the petition, the rate increase is required to enable the Petitioner to recover its increases in its operating expenses; to change its depreciation rates for certain categories of Company property; to authorize acquisition adjustments and the recovery of certain costs associated with the Company's acquisition of individual wastewater systems; to implement a system-wide Purchased Wastewater Treatment Adjustment Clause; and to make certain identified tariff changes to continue to provide safe, adequate and proper water service to its customers and to comply with state and federal regulations.

This matter was transmitted to the Office of Administrative Law for hearings, as a contested case, on January 21, 2020, and was assigned to Administrative Law Judge ("ALJ") Jacob S. Gertsman. ALJ Gertsman held a telephonic pre-hearing conference and a preliminary procedural schedule was established. The preliminary procedural schedule included tentative dates and times for public hearings in various locations in Aqua's service territory. Due to the rapidly unfolding coronavirus disease 2019 pandemic ("COVID-19"), Aqua, the Division of Rate Counsel and Board Staff (collectively, "Parties") engaged in several informal telephonic conferences regarding the scheduling of the public hearings for this matter. By letter dated March 13, 2020, the Parties requested a conference call with ALJ Gertsman to discuss the scheduling of the public hearings. ALJ Gertsman's assistant responded by e-mail on March 16, 2020 and advised the Parties, on behalf of ALJ Gertsman, that he had decided to postpone the scheduling of the public hearings for this matter until the impact of COVID-19 was better understood. Subsequently, ALJ Gertsman scheduled a telephonic status conference on June 2, 2020.

The increase in rates was proposed to become effective on February 21, 2020. By Order dated February 19, 2020, the Board suspended the proposed rate increase until June 21, 2020.

It appearing that the proposed revisions will increase existing rates and change or alter existing classifications in Petitioner's tariff, it is <u>HEREBY</u> <u>ORDERED</u> that:

- Pursuant to N.J.S.A. 48:2-21, the proposed revisions be and are further suspended until October 21, 2020, unless the Board prior to that date makes a determination disposing of the petition or enters an order further suspending the proposed revisions;
- (2) Petitioner shall, at least 10 days prior to the date set for hearing on the petition by the Office of Administrative Law, file with this Board and with the Office of Administrative Law (9 Quakerbridge Plaza, Mercerville, NJ 08619) proof of compliance with the Notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which Notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) Petitioner shall serve copies of this Order upon the Office of Administrative Law, the New Jersey Division of Rate Counsel (140 East Front Street, 4th Floor, Post Office Box 003, Trenton, NJ 08625), the clerk of each affected municipality, the clerk of the Boards of Chosen Freeholders of each affected county, and where appropriate, the executive officer of each affected county within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously. Proof of service of this Order shall be filed with the Board within 15 days of the date of this Order.

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This Order shall be effective on June 20, 2020.

DATED: June 10, 2020

BOARD OF PUBLIC UTILITIES BY:

JOSEPH L. FIORDALISO PRESIDENT

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Your-Anna Holden

MARY-ANNA HOLDEN COMMISSIONER

UPENDRA J. CHIVUKULA COMMISSIONER

DIANNE SOLOMON COMMISSIONER

ROBERT M. GORDON COMMISSIONER

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ATTEST:

AIDA CAMACHO-WELCH SECRETARY

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