

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

IN THE MATTER OF	:	
AQUA NEW JERSEY, INC.'S	:	PETITION
2022 DISTRIBUTION SYSTEM	:	
IMPROVEMENT CHARGE	:	BPU DKT. NO. WR2205 _____
FOUNDATIONAL FILING	:	

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

PETITIONER, Aqua New Jersey, Inc. (hereinafter "Petitioner," "Aqua" or the "Company"), respectfully submits this Petition pursuant to N.J.A.C. 14:9-10.1 *et seq.* to enable the implementation of a Distribution System Improvement Charge ("DSIC") and shows that:

1. Petitioner is a public utility corporation of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities (the "Board"). Petitioner's principal business office is located at 10 Black Forest Road, Hamilton, New Jersey 08691.

2. Petitioner is engaged in the business of collecting, treating and distributing water for retail service to approximately 55,000 customers.¹ The Company's customers are located in several municipalities in Warren, Hunterdon, Mercer, Morris, Burlington, Monmouth, Camden, Atlantic, Ocean, Sussex and Gloucester Counties, New Jersey. The Company has generally organized its business by the following Divisions: Northern Division (based in Phillipsburg), Central Division (based in Hamilton), Eastern Division (based in Berkeley) and the Southern Division (based in Blackwood).

¹ Petitioner is also engaged in the wastewater collection, treatment and transmission business and currently serves approximately 6,500 wastewater customers. Accelerated wastewater investments are not the subject of this Petition.

3. The purpose of this Petition is to satisfy the foundational filing requirement specified in the DSIC regulations at N.J.A.C. 14:9-10.4. As required at N.J.A.C. 14:9-10.4(c), the Company concluded a base rate proceeding and implemented base rates pursuant to an Order of the Board effective June 1, 2019 in BPU Docket No. WR18121351.

4. Pursuant to N.J.A.C. 14:9-10.4(b)(1), attached as Exhibit P-1 is an engineering evaluation report which identifies the rationale for the DSIC-eligible work to be performed; demonstrates that the proposed plan is cost-effective; identifies elements of the distribution system that require investment including assets which are susceptible to failure; and identifies efforts to extend the life of the distribution system assets. Pursuant to N.J.A.C. 14:9-10.4(b)(2), also included with Exhibit P-1 is DSIC project information which includes the following elements:

- a. a list of DSIC-eligible projects;
- b. project descriptions (with unique project identification numbers) including the nature, location, estimated duration of work (including estimated in-service dates, as well as the vintage and condition of the facilities being replaced or rehabilitated), estimated project costs, and a description and reason for the project; and
- c. aggregate information capturing blanket-type, DSIC-eligible infrastructure projects and the estimated annual cost of such blanket-type replacement programs.

5. Pursuant to N.J.A.C. 14:9-10.4(b)(3), attached as Exhibit P-2 is a calculation of Aqua's base infrastructure spending. As shown on Exhibit P-2, Aqua has calculated that its base spending requirement is approximately \$4,648,617. Please note that Aqua utilized the authorized depreciation rates and balances for utility plant accounts 343, 345 and 348 as reported in its 2021 BPU Annual Report.

6. Pursuant to N.J.A.C. 14:9-10.4(b)(3), attached as Exhibit P-3 is a proposed DSIC rate assessment schedule showing the maximum dollar amount of the proposed DSIC rate assessment by customer class and meter size (or service connection) over the entire DSIC period, as well as the estimated maximum rate impact on customers for the entire DSIC period. As noted on Exhibit P-3, the maximum amount of annual DSIC revenues Aqua may be authorized to recover through the DSIC is capped at five percent of Aqua's total revenues established in its most recent base rate proceeding, which is approximately \$2,173,362.

7. Pursuant to N.J.A.C. 14:9-10.4(b)(4), attached as Exhibit P-4 is a proposed form of public notice. Aqua intends to consult with Board Staff and the Division of Rate Counsel to finalize a form of public notice acceptable to all parties.

8. Included in the list of DSIC-eligible projects are certain projects that are currently under way, or that may commence, during the pendency of this filing. Aqua fully intends that any spending associated with these DSIC-eligible projects will be used either to meet Aqua's base spending requirement or will be recoverable in Aqua's DSIC mechanism consistent with the Board's DSIC regulations.

9. Annexed hereto and made a part hereof as if fully set forth herein are the following exhibits:

Exhibit P-1 – Engineering Evaluation Report & DSIC Project Information

Exhibit P-2 – DSIC Base Spending Schedule

Exhibit P-3 – DSIC Rate Assessment Schedule

Exhibit P-4 - Proposed Form of Public Notice

10. The Company will supplement this Petition as needed, and as may be required by the Board for the processing of this application. Petitioner believes that it has provided all of the

information required by N.J.A.C. 14:9-10.4, and that its filing is complete at this time. Therefore, consistent with the provisions of N.J.A.C. 14:9-10.4(c), Aqua anticipates that the Board will act on its request on, or before, September 28, 2022. Further, the Company respectfully requests that the Board retain this matter for hearing and that the Board also permit the required public comment hearing to be conducted virtually to facilitate public input given the continued presence of COVID-19.

11. In addition to the Secretary of the Board, copies of this filing and all annexed exhibits are being served upon the Division of Rate Counsel and the Office of the Attorney General. Notice of the filing, a statement of its effect and of the scheduling of a public comment hearing will be furnished to Petitioner's customers by a public notice placed in newspapers published and circulated in Petitioner's service areas pursuant to the rules of the Board after the Parties have concurred on its substance. Copies of an approved form of Notice and the proposed DSIC rates will be served upon the respective municipalities, County Executives and Clerks of the Boards of County Commissioners pursuant to the Board's regulations. Proof of service of the notices referred to herein will be filed with the Board in accordance with the Board's regulations.

12. Correspondence in this matter should be addressed to the following:

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WHEREFORE, Petitioner, Aqua New Jersey, Inc., respectfully requests that the Board approve this Foundational Filing and authorize the projects and investments described herein to be eligible for inclusion in the DSIC pursuant to N.J.A.C. 14:9-10.1 *et seq.*, and that such other relief as described herein be granted by the Board.

Respectfully submitted,

Dated: May 31, 2022

By: 

Colleen A. Foley
Saul Ewing Arnstein & Lehr LLP
Attorneys for Aqua New Jersey, Inc.

CERTIFICATION

STATE OF NEW JERSEY)
 :
COUNTY OF MERCER)

 DAWN PESLAK, of full age, being duly sworn, upon her oath deposes and says:

 1. I am Controller of Aqua New Jersey, Inc., the Petitioner in the foregoing Petition, and in that capacity I am authorized to make this Certification on behalf of Aqua New Jersey, Inc. in this matter.

 2. I have reviewed the within Petition and exhibits thereto, and the same are true and correct to the best of my knowledge, information and belief.

 3. I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: May 31, 2022



Dawn Peslak