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RECEIVED **CASE MANAGEMENT**

MAY 3 1 2018

BOARD OF PUBLIC UTILITIES TRENTON, NJ

May 31, 2018

Via Hand Delivery and Email Aida Camacho-Welch, Secretary New Jersey Board of Public Utilities 44 South Clinton Avenue, 9th Floor P.O. Box 350 Trenton, NJ 08625

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RECEIVED MAIL ROOM

MAY 3 1 2018

BOARD OF PUBLIC UTILITIES TRENTON, NJ

RE: I/M/O the Petition of New Jersey American Water Company, Inc., for Approval of Increased Tariff Rates & Charges for Water & Wastewater Service, Change in Depreciation Rates & Other Tariff Provisions

BPU Docket No.: WR17090985 OAL Docket No.: PUC 14251-2017 S

AARP Motion to Intervene

Dear Ms. Camacho-Welch:

Enclosed are an original and ten copies of the Motion of AARP to intervene in the abovereferenced Proceeding as a participant. Please file same and list the Motion on the Board's docket for action.

By copy of this letter, copies of the AARP Motion are being forwarded this date via electronic mail to the attached service list.

Thank you for your anticipated cooperation in this matter.

Sincerely,

JANINE G. BAUER

JGB/ac



Enclosure

cc: Service List (via email only)

In the Matter of the Petition of New Jersey American Water Co. Inc. for Approval of Increased Tariff Rates and Charges for Water and Wastewater Service, Change in Deprecation Rates and Other Tariff Modifications BPU Docket No. WR17090985 Service List

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RECEIVED CASE MANAGEMENT

MAY 3 1 2018

STATE OF NEW JERSEY

RECEIVED MAIL ROOM

BOARD OF PUBLIC UTILITIES TRENTON, NJ

MAY 3 1 2018

In the Matter of the Petition of New Jersey)	BOARD OF PUBLIC UTILITIES
American Water Company, Inc. for Approval)	TRENTON, NJ
Of Increased Tariff Rates & Charges for)	BPU Docket No. WR17090985
Water & Wastewater Service, Change in)	OAL Docket No. PUC 14251-2017 S
Depreciation Rates & Other Tariff Provisions)	Motion To Intervene
Of Increased Tariff Rates & Charges for Water & Wastewater Service, Change in)	BPU Docket No. WR17090985 OAL Docket No. PUC 14251-2017 S

MOTION TO INTERVENE OF

AARP

AARP, a nonprofit, nonpartisan social welfare organization with a membership, including more than 1.3 million individuals residing in New Jersey, hereby moves to intervene in the above-captioned proceeding. In support of its motion, AARP states as follows:

1. If this Motion is granted, the following individuals shall be added to the service list for the purpose of receiving all communications and correspondence concerning this proceeding:

Evelyn Liebman, State Director for Advocacy 303 George Street Suite 505 New Brunswick, New Jersey 08901

Phone: 732-509-2117 Fax: 732-509-2093

Email: ELiebman@aarp.org

Janine G. Bauer, Esquire Member NY, NJ, PA and FL Bars Szaferman, Lakind, Blumstein, & Blader, P.C. 101 Grovers Mill Road, Suite 200 Lawrenceville, New Jersey 08648 Phone: (609) 275-0400 x 249

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Email: JBauer@szaferman.com

- 2. On September 15, 2017, New Jersey American Water ("Company") filed a petition in the above-referenced matter seeking to increase its base rates approximately \$129.3 million per year, approximately 17.54%. In its Petition, the Company filed 5 months of actual data, proposing a Test Year ending on March 31, 2018.
- 3. On September 15, 2017, New Jersey American Water ("Company") filed a petition in the above-referenced matter seeking to increase its base rates approximately \$129.3 million per year, approximately 17.54%. In its Petition, the Company filed 5 months of actual data, proposing a Test Year ending on March 31, 2018.
- 4. By Order dated January 21, 2018, the Board held that the reduction in corporate tax rates as a result of the Tax Cuts & Jobs Act of 2017 shall be passed on to the State's ratepayers. <u>I/M/O the N.J. Bd. of Pub. Utilities' Consideration of the Tax Cuts & Jobs Act of 2017</u>, BPU Docket No. AX18010001, Order dated 1/31/18 ("Tax Act Order"). The Board also ordered utilities to defer the tax savings, with interest, starting from January 1, 2018.
- 5. The Board ordered utilities with annual revenues greater than \$4.5 million to file petitions by March 2, 2018 which include, among other things, tariffs reflecting the new tax rate to be effective on April 1, 2018.
- 6. On February 13, 2018, the Company filed a Motion with the Board seeking to be relieved of its obligation to file tariffs effective April 1, and to consolidate its tax case with its pending base rate case.
- 7. By Order dated February 28, 2018, the Board denied the Company's motion to consolidate.

- 8. By Order dated March 25, 2018, the Board re-affirmed its position that the Company's tax case should remain separate from its pending base rate case. I/M/O the N.J. Bd. of Pub. Utilities' Consideration of the Tax Cuts & Jobs Act of 2017 & I/M/O N.J. American Water Co., Inc., with Calculation of Rates Under the Tax Cuts & Jobs Act of 2017, BPU Docket No., AX18010001, Order dated 3/26/18.
- On April 13, 2018 the NJ Division of Rate Counsel filed the Direct Testimony of seven witnesses including that of witness Robert Henkes.
- 10. In his Direct testimony, Robert Henkes testified that a *rate decrease* of approximately \$17.1 million annually would be appropriate to produce just and reasonable rates for New Jersey American Water ratepayers.
- 11. On May 14, 2018, the Company submitted a filing for provisional rates, pursuant to Provisional Rate Regulation N.J.A.C. 14:1-5.12(e) et seq., to the BPU, stating that it intends to implement a provisional rate increase of approximately \$75 million annually, approximately 12.3%, effective June 15, 2018
- 12. Pursuant to N.J.A.C. 1:1-16.2, this motion by AARP to intervene is timely filed.

WHEREFORE, in support of its application for intervention as a participant in this proceeding, and as further summarized below, AARP respectfully submits to the Board of Public Utilities that all factors for intervention set forth in N.J.A.C. 1:1-16.3 (standards for intervention) and N.J.A.C. 1:1-16.6 (standards for participation) are met and that AARP's motion to intervene as a participant in the above-captioned proceeding should be granted based upon the following:

1. AARP is a non-governmental, non-profit, and non-partisan organization whose interest is to protect the affordability, reliability, efficiency and safety of utility services for its

NJ members who are concurrently residential ratepayers in the Company's service area aged 50 and over.

- 2. In New Jersey, AARP has 1.3 million members aged 50+ including hundreds of thousands of members residing within the Company's service territory which extends to 18 of New Jersey's 21 counties and 191 municipalities.
- 3. Members of AARP purchase water service from NJ American Water in these 191 municipalities and, therefore, they will be directly and substantially affected by the outcome of the above captioned proceeding. AARP has representation standing based on its members' interests in keeping water rates affordable.
- 4. AARP has sought, through its affordable utilities work, to guarantee that all residents in the state of New Jersey have access to safe, reliable, and affordable utility rates, advocating in particular for the needs of 50+ low, moderate and fixed-income ratepayers many of whom are AARP's members.
- 5. Almost every community in New Jersey has seen water and sewer rates rise and sometimes rise dramatically in the past 10-15 years.
- 6. Rising water rates pose a particular hardship for many older people and for households with fixed or limited incomes.
- 7. In 2011, AARP commissioned a survey designed to better gather information on the needs, interests and concerns of 50+ New Jerseyans and determined that over two-thirds of NJ 50+ adults have experienced a problem paying their household gas and electric utilities. This difficulty is likely to extend to payments to the water utility as well.
- 8. In 2016 AARP commissioned a survey of New Jersey residents 45+ and found that seven in ten New Jerseyans support having the Board implement a full review process of utility

rates on a regular basis and conduct a full and thorough financial audit of utility company earnings before rate increases are awarded.

- 9. Older adults are especially vulnerable to high utility prices, in part because they spend a far greater proportion of their income on utility services than younger households.
- 10. Based on the impact of higher rates and tariffs and mechanisms to recover other costs on individuals who are age 50+ and who are less likely to be able to increase their income to meet higher water rates, AARP's purpose in intervening in this proceeding is to represent the interest of its members aged 50+ who purchase water from New Jersey American Water and who stand to be directly affected and impacted monetarily by its proposed rates and tariffs.
- 11. AARP and its members have a substantial, direct and specific interest not represented by other parties to this proceeding, which interest is sufficiently different from that of any other party.
- 12. AARP's interests are unique from and not adequately or sufficiently represented by the Division of the Rate Counsel or any other party. Rate Counsel's statutory duty is to represent all ratepayers whereas AARP represents the specific interests of its members who are age 50+ residential, many of whom live on fixed and limited household budgets.
- 13. N.J.A.C. 1:1-16.3(b) states that "In cases where one of the parties is a State agency authorized by law to represent the public interest in a case, no movant shall be denied intervention solely because the movant's interest may be represented in part by said State agency."
- 14. AARP's members' interests are substantially different from those of any other parties including Rate Counsel in this proceeding.

- 15. AARP will add measurably and constructively to the scope of the case because of its policy expertise, the experience of its counsel and professional staff, by helping the fact finder to achieve a fair, balanced and informed examination of the issues presented by the Company's petition and the impact of those rates, tariffs, depreciation rates and any other cost recovery mechanisms on ratepayers age 50+ particularly low, moderate and fixed income ratepayers.
- 16. AARP's intervention in this proceeding will not confuse or delay the proceeding if the motion for intervention is granted.
- 17. AARP participated in the Board's rule making proceeding that lead to the promulgation of the Provisional Rate Regulation, N.J.A.C. 14:1-5.12(e) et seq., precisely for the reason that AARP members will be affected by the provisional rates if permitted and ordered by the Board.
- 18. Since 1998 AARP has advocated for and actively participated in the establishment of New Jersey's Universal Service Fund ("USF") in the energy arena to provide affordable utility rates for low and fixed-income consumers, a program which became operational in 2003 and is now a model for the nation (BPU Docket No. EX0002091).
- 19. Considering AARP's history of both federal and state advocacy in support of affordable, safe and reliable utility services nationwide as well as in New Jersey, as well as AARP's intervention in past utility proceedings before the Board, participation in legislative proceedings, and our work to establish the USF, AARP holds a unique perspective and insight regarding the impact of an increase in utility rates and tariffs, including for water rates.
- 20. Fundamental fairness and due process considerations militate in favor of affording AARP an opportunity to participate in this proceeding, the outcome of which poses significant costs to all of New Jersey American Water's customers but especially those on a fixed income.

Continuing cost increases for utilities affect and degrade the quality of life for those on fixed

incomes.

21. AARP will endeavor to work cooperatively with other parties in this proceeding in

the interests of administrative efficiency and economy, as it always does.

22. For the foregoing reasons, and because New Jersey American Water's service and

rates will affect the quality of the lives of our members, AARP has a direct, substantial, specific

and immediate interest in the outcome of this proceeding that cannot be adequately represented

by any other party.

WHEREFORE, pursuant to N.J.A.C. 1:1-16.6, AARP respectfully requests that it 23.

be permitted to intervene in this proceeding as a participant, with full procedural and substantive

rights as a participant, including the right to obtain all discovery, the right to orally argue and to

file briefs and exceptions to the initial decision, in the above-captioned proceeding.

Respectfully submitted,

Janine G. Bauer, Esquire

Member NY, NJ, PA and FL Bars

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Dated: May 30, 2018

CERTIFICATION

- 1. I am the New Jersey Director of Advocacy for AARP.
- 2. I have read the contents of the foregoing Motion and herby certify that the statements therein contained are true and accurate to the best of my knowledge.

Evelyn Liebman, New Jersey Director of Advocacy

AARP

Dated: May 30, 2018

CERTIFICATION OF SERVICE ろしてら

I hereby certify that I have this day (May 30, 2018) served by electronic mail a copy of the foregoing Motion to Intervene on all parties set forth on the attached service list.

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