



**NEW JERSEY
AMERICAN WATER**

John S. Tomac
Senior Director
Rates and Regulatory
1 Water Street
Camden, NJ 08102

January 23, 2020

VIA REGULAR MAIL

TO ALL: MUNICIPAL CLERKS, CLERKS OF THE BOARDS OF CHOSEN FREEHOLDERS, COUNTY EXECUTIVE OFFICERS, COUNTY ADMINISTRATORS AND SALE FOR RESALE CUSTOMERS

**Re: In the Matter of The Petition Of New Jersey-American Water Company, Inc. For Approval of Increased Tariff Rates and Charges For Water And Wastewater Service And Other Tariff Modifications
OAL Docket No. PUC 17894-2019 S; BPU Docket No. WR19121516**

Dear Sir/Madam:

Pursuant to N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12 (b), (c) and (d), enclosed herewith for service upon you are the Notice of Filing of Proposed Rate-Increase and of Public Hearing, and the Board of Public Utilities' Suspension Order entered January 8, 2020.

Please note the dates and times of the public hearings at which members of the public are invited to attend and express their views on the proposed rate increases are as follows:

February 18, 2020

4:30 p.m.
Ocean City Public Library
Lecture Hall
1735 Simpson Avenue
Ocean City, NJ 08226

5:30 p.m.
Ocean City Public Library
Lecture Hall
1735 Simpson Avenue
Ocean City, NJ 08226

February 19, 2020

4:30 p.m.
Howell Township Municipal Building
Main Meeting Room
4567 Route 9 North
Howell, NJ 07731

5:30 p.m.
Howell Township Municipal Building
Main Meeting Room
4567 Route 9 North
Howell, NJ 07731

February 20, 2020

4:30 p.m.
Hillsborough Twp. Municipal Complex
The Peter J. Biondi Building
Senior Activities Room
379 South Branch Road
Hillsborough, NJ 08844

5:30 p.m.
Hillsborough Twp. Municipal Complex
The Peter J. Biondi Building
Senior Activities Room
379 South Branch Road
Hillsborough, NJ 08844

In the event of inclement weather, the public hearings will be rescheduled for the dates, times and locations as indicated in the enclosed Public Notice, and as posted on the Company's website at <https://amwater.com/njaw/customer-service-billing/your-water-and-wastewater-rates>.

Very truly yours,



John S. Tomac

RECEIVED
ORANGE CITY CLERK'S OFFICE
2020 JAN 27 PM 3:00

cc: Service list (via e-mail)
Hon. Jacob Gertsman, ALJ (via regular mail)
Hon. Aida Camacho-Welch, Secretary of the BPU (via regular mail)
Department of Law & Public Safety (via regular mail)
Division of Rate Counsel (via regular mail)

**NOTICE OF FILING OF
PROPOSED RATE INCREASE
AND PUBLIC HEARING**

**ALL CUSTOMERS AND OTHER INTERESTED PARTIES ARE
INVITED TO ATTEND AND
PRESENT THEIR VIEWS**

**IN THE MATTER OF THE PETITION OF NEW JERSEY AMERICAN WATER
COMPANY, INC. FOR APPROVAL OF INCREASED TARIFF RATES AND CHARGES
FOR WATER AND WASTEWATER SERVICE, AND OTHER TARIFF
MODIFICATIONS**

**OAL DOCKET NO. PUC 17894-19 S
BPU DOCKET NO. WR19121516**

TO OUR CUSTOMERS:

Notice is hereby given that on December 16, 2019, New Jersey-American Water Company, Inc., (the "Company") 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.S.A. 48:2-21.1, N.J.A.C. 14:1-5.7 and N.J.A.C. 14:1-5.12, a petition ("Petition") seeking to increase rates for water and wastewater service and to implement other tariff revisions. These changes were proposed to become effective for service rendered on or after January 15, 2020, or at such later date as may be determined by the Board. Based on the Company's total projected operating revenues for the twelve months ending June 30, 2020, the new rates proposed herein will yield additional operating revenues of \$87.8 million or 12.3%. The total projected operating revenues include the revenue being recovered through the Distribution System Improvement Charge ("DSIC") previously approved by this Board, and revenues recovered through the PWAC/PSTAC.

The average residential water customer using 5,400 gallons per month will see their bill increase from \$55.89 to \$62.35, an increase of \$6.46 or 11.55% per month. The actual percentage increase to specific customers will vary according to the applicable rate schedule and level of the customer's usage. The changes proposed in the Petition will result in the changes indicated in the chart below.

The following comparisons of average present and proposed rates will permit customers to determine the approximate net effect upon them of the proposed increases and adjustments in rates. Any assistance required by customers in this regard will be furnished by the Company upon request. Complete information about the present and proposed rates for every class of customer is

available on the Company's website at www.newjerseyamwater.com by first selecting Customer Service and then Rates Information. Please note that the Board, in its discretion, may apply all or any portion of whatever rate increase the Board may ultimately find just and reasonable to any class or classes of customers or to any rate schedule or schedules, or in a manner different than what the Company has proposed in its filing. Accordingly, the final rates and charges to be determined by the Board in this proceeding may be different than what the Company has described herein. All rates include both a fixed service charge and a consumption charge.

Customer Class	Usage	Rates		Change	
		Current Bill*	Proposed Bill	Amount	Percentage
General Metered Service: All except SA-1B, SA-1C, SA-1E and SA-1F	5,400 gal/mo.	\$55.89	\$62.35	\$6.46	11.55%
SA-1B (Pennsgrove) and SA-1C (Shorelands)	5,400 gal/mo.	\$51.57	\$62.35	\$10.78	20.90%
SA-1E (Haddonfield)	5,400 gal/mo.	\$49.47	\$54.18	\$4.71	9.52%
SA-1F (Roxbury)	5,400 gal/mo.	\$25.27	\$28.18	\$2.91	11.52%
Manasquan Resale	Various	Various	Various	Various	6.90%
Optional Industrial Wholesale	Various	Various	Various	Various	10.80%
Sales for Resale – CD	Various	Various	Various	Various	10.40%
Sales for Resale – SOS	Various	Various	Various	Various	12.30%
Private Fire Protection	Various	Various	Various	Various	12.00%
Public Fire Protection	Various	Various	Various	Various	7.00%
Sewer					
Ocean City	44,000 gal/summer	\$65.50	\$69.48	\$3.98	6.07%
Lakewood/Elk Twp.	5,400 gal/mo.	\$58.98- \$49.27	\$63.65- \$58.10	\$4.67- \$8.83	7.92%- 17.92%
Adelphia	5,400 gal/mo.	\$69.05	\$73.07	\$4.02	5.82%
Former AWWM/Pottersville	5,400 gal/mo.	\$77.12- \$88.36	\$77.12- \$88.36	\$0.00	0.00%
Jensen's Run	5,400 gal/mo.	\$65.86	\$78.65	\$12.79	19.42%
Haddonfield	5,400 gal/mo.	\$19.05	\$23.22	\$4.17	21.88%
Mount Ephraim	Flat Fee	\$8.33	\$8.33	\$0.00	0.00%

*Rates include the Purchased Water Adjustment Clause (PWAC) and Purchased Wastewater (Sewer) Treatment Adjustment Clause (PSTAC) as approved by the Board under BPU Docket Number WR18111241 and the fully implemented Distribution System Improvement Charge (DSIC) of \$3.32 expected to be approved by the Board under BPU Docket No. WR17111183, effective July 1, 2020. Currently, the DSIC is \$2.36, effective January 1, 2020.

In addition to actual rate changes, the Company is proposing other changes and additions to its Tariff, some of which would apply to all customers and others that would apply only to specified customers. These changes include, but are not limited to, changes to various rate schedules.

Notice of this filing is being served upon the clerk, executive or administrator of each municipality and county within the Company's service areas. Such notice has also been served,

together with the Verified Petition, Tariffs, and all other exhibits, upon the Director of the Division of Rate Counsel, who will represent the interests of ratepayers in this proceeding. Copies of the Verified Petition, Tariffs, and all other exhibits are available for inspection at the Company's office at 1 Water Street, Camden, NJ, and can also be found on the Company's website at www.newjerseyamwater.com by first selecting Customer Service and then Rates Information.

PLEASE TAKE FURTHER NOTICE that the New Jersey Office of Administrative Law (OAL) has scheduled public hearings for the purpose of receiving comments from the public regarding the Petition. Public hearings will be held at the following times and places:

February 18, 2020 at 4:30 p.m.

**Ocean City Public Library
Lecture Hall
1735 Simpson Avenue
Ocean City, NJ 08226**

February 18, 2020 at 5:30 p.m.

**Ocean City Public Library
Lecture Hall
1735 Simpson Avenue
Ocean City, NJ 08226**

February 19, 2020 at 4:30 p.m.

**Howell Township Municipal Building
Main Meeting Room
4567 Route 9 North
Howell, NJ 07731**

February 19, 2020 at 5:30 p.m.

**Howell Township Municipal Building
Main Meeting Room
4567 Route 9 North
Howell, NJ 07731**

February 20, 2020 at 4:30 p.m.

**Hillsborough Township Municipal Complex
The Peter J. Biondi Building
Senior Activities Room
379 South Branch Road
Hillsborough, NJ 08844**

February 20, 2020 at 5:30 p.m.

**Hillsborough Township Municipal Complex
The Peter J. Biondi Building
Senior Activities Room
379 South Branch Road
Hillsborough, NJ 08844**

In the event of inclement weather, the public hearings will be held at the locations below on the following dates and times:

**March 3, 2020 at 4:30 p.m.
Ocean City Public Library
Room 111
1735 Simpson Avenue
Ocean City, NJ 08226**

**March 3, 2020 at 5:30 p.m.
Ocean City Public Library
Room 111
1735 Simpson Avenue
Ocean City, NJ 08226**

**March 4, 2020 at 4:30 p.m.
Howell Township Municipal Building
Main Meeting Room
4567 Route 9 North
Howell, NJ 07731**

**March 4, 2020 at 5:30 p.m.
Howell Township Municipal Building
Main Meeting Room
4567 Route 9 North
Howell, NJ 07731**

**March 5, 2020 at 4:30 p.m.
Hillsborough Township Municipal Complex
The Peter J. Biondi Building
Senior Activities Room
379 South Branch Road
Hillsborough, NJ 08844**

**March 5, 2020 at 5:30 p.m.
Hillsborough Township Municipal Complex
The Peter J. Biondi Building
Senior Activities Room
379 South Branch Road
Hillsborough, NJ 08844**

The public is invited to attend and interested persons will be permitted to testify and/or make a statement of their views on the proposed increases.

In addition, members of the public may submit written comments concerning the Petition to the OAL and BPU regardless of whether they attend a hearing by addressing them to: the Hon. Jacob S. Gertsman, ALJ, Office of Administrative Law, P.O. Box 049, Trenton, New Jersey

08625-0049, or to the Secretary, Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350. Such written comments should be identified with the heading "New Jersey American Water Company Rate Filing: Public Hearing," and include the OAL Docket Number PUC 17894-19 S and BPU Docket Number WR19121516 and the name of the judge assigned to this case, the Honorable Jacob S. Gertsman, ALJ.

In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreter, listening devices or mobility assistance, 48 hours prior to these hearings to: Denise Free, Director of Communications and External Affairs, NJAWC, 856-955-4874, Denise.Free@amwater.com.

NEW JERSEY AMERICAN WATER COMPANY

BY: CHERYL NORTON
PRESIDENT
NEW JERSEY-AMERICAN WATER COMPANY
1 Water Street
Camden, NJ 08102



Agenda Date: 1/8/20
Agenda Item: VA

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

WATER

IN THE MATTER OF THE PETITION OF NEW)	ORDER SUSPENDING
JERSEY-AMERICAN WATER COMPANY, INC. FOR)	INCREASES, CHANGES OR
APPROVAL OF INCREASED BASE TARIFF RATES)	ALTERATIONS IN RATES FOR
AND CHARGES FOR WATER AND WASTEWATER)	WATER SERVICE
SERVICE, AND OTHER TARIFF REVISIONS)	
)	BPU DOCKET NO. WR19121516

Parties of Record:

Bruce V. Miller, Esq., Cullen and Dykman LLP, on behalf of New Jersey-American Water Company, Inc.
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On December 16, 2019, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, New Jersey-American Water Company ("Company" or "Petitioner"), a public utility of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities ("Board"), filed a petition for authority to increase its base tariff rates and charges for water and wastewater service amounting to approximately \$87.8 million or 12.3% in additional annual revenues. The increase in rates is proposed to become effective on January 15, 2020.¹

The Company provides water service to approximately 652,000 customers and provides wastewater service to approximately 50,000 customers in 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.

According to the petition, the proposed rate increase is necessary for the following reasons: (1) to establish an income level which will permit the Company to finance essential and continuing plant investment; (2) to permit Petitioner to earn a fair and adequate rate of return on its net investment in used and useful property; (3) to establish rates which will be sufficient to enable the

¹ By letter dated December 19, 2019, the Company indicated that it would not implement rates on an interim basis prior to the effective date of the Board's initial suspension order in this matter. However, the Company noted that it did not waive its right to implement the proposed rates at the conclusion of the second suspension period on September 15, 2020, should the Board not issue a final Decision and Order by that date.

Company, under efficient and economical operation, to maintain and support financial integrity and to raise such funds as may be necessary for the proper discharge of its public duties; (4) to offset increases in operating expenses experienced, and to be experienced, by the Company in the course of its operations; (5) to provide earnings sufficient to attract investors and provide sufficient cash flow to fund the Company's operations; and (6) to enable the Company to provide safe, adequate and proper service to its customers.

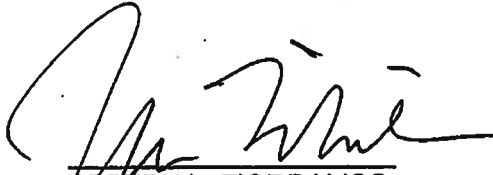
It appearing that the proposed revisions will increase existing rates and change or alter existing classifications in Petitioner's tariff, it is **HEREBY ORDERED** that:

- (1) Pursuant to N.J.S.A. 48:2-21, the proposed revisions be, and are, suspended until May 15, 2020, unless prior to that date, the Board makes a determination disposing of the petition;
- (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 (33 Washington Street, Newark, N.J. 07102), 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 08625-0003), the clerk of the affected municipalities, the clerk of the Board of Chosen Freeholders of the affected county and, where appropriate, the executive officer of the affected county within its service area. Service of this 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.

This Order shall be effective on January 18, 2020.

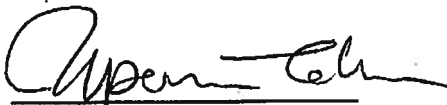
DATED: 1/8/20

BOARD OF PUBLIC UTILITIES
BY:

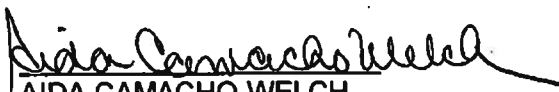

JOSEPH L. FIORDALISO
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER


ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities

IN THE MATTER OF THE PETITION NEW JERSEY-AMERICAN WATER COMPANY, INC.
FOR APPROVAL OF INCREASED TARIFF RATES AND CHARGES FOR WATER AND
WASTEWATER SERVICE, AND OTHER TARIFF REVISIONS
BPU DOCKET NO. WR19121516

SERVICE LIST

Bruce V. Miller, Esq.
Cullen and Dykman LLP
The Legal Center
One Riverfront Plaza
Newark, NJ 07102
bmiller@cullenanddykman.com

Christine Soares, Esq.
Corporate Counsel, Eastern Division
American Water Works Service Company, Inc.,
1 Water Street
Camden, New Jersey 08102
Christine.soares@amwater.com

Division of Rate Counsel
140 East Front Street, 4th Floor
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director
sbrand@rpa.nj.gov

Debra F. Robinson, Esq.
drobenson@rpa.nj.gov

Susan E. McClure, Esq.
smcclure@rpa.nj.gov

Department of Law and Public Safety
Richard J. Hughes Justice Complex
Public Utilities Section
25 Market Street, P.O. Box 112
Trenton, NJ 08625

Patricia Owen, DAG
Assistant Section Chief
pamela.owen@law.njoag.gov

Paul Youchak, DAG
Paul.Youchak@law.njoag.gov

Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, NJ 08625-0350

Aida Camacho-Welch
Secretary of the Board
board.secretary@bpu.nj.gov

Division of Water

Michael Kammer, Director
michael.kammer@bpu.nj.gov

Megan Lupo, Bureau Chief
megan.lupo@bpu.nj.gov

Justin Cederberg
justin.cederberg@bpu.nj.gov

Kyle Felton
kyle.felton@bpu.nj.gov

Magdy Mekhaeil
magdy.mekhaeil@bpu.nj.gov

Office of the Economist

Ben Witherell, Chief Economist
benjamin.witherell@bpu.nj.gov

Jacqueline O'Grady
jackie.ogrady@bpu.nj.gov

Son Lin Lai
son-lin.lai@bpu.nj.gov

Counsel's Office

Suzanne Patnaude
suzanne.patnaude@bpu.nj.gov

Department of Law and Public Safety
Richard J. Hughes Justice Complex
Public Utilities Section
25 Market Street, P.O. Box 112
Trenton, NJ 08625

Meliha Arnautovic, DAG
Meliha.Arnautovic@law.njoag.gov

Alex Moreau, DAG
Alex.Moreau@law.njoag.gov

Matko Ilic, DAG
Matko.Ilic@law.njoag.gov

