



July 28, 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: I/M/O the Petition of New Jersey American Water Company, Inc. for Authorization to Implement a Tariff Supplement Establishing a Distribution System Improvement Charge
OAL Docket No. PUC 04828-20S; BPU Docket No. WR12070669**

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 is the Notice of Filing and of Public Hearing of a petition for approval of a foundational filing in support of a Distribution System Improvement Charge (DSIC) pursuant to N.J.A.C. 14:9-10.1, et seq. The petition includes a proposed surcharge to fund ongoing improvements to specific types of infrastructure investments. This proposed DSIC surcharge could result in an increase to existing water bills.

Please note the following dates and times of the virtual public hearings at which members of the public are invited to attend and express their views on the Company's petition are as follows:

August 17, 2020 – 4:30 PM


Call in numbers (callers can use any phone number):
(646) 558-8656, (312) 626-6799, and (301) 715-8592
Meeting ID: 837 2212 7944
Password: 621493

August 17, 2020 – 5:30 PM

Call in numbers (callers can use any phone number):
(646) 558-8656, (312) 626-6799, and (301) 715-8592
Meeting ID: 837 2292 2637
Password: 130582

Additional details and further instructions for dialing in to the meeting are included in the enclosed Public Notice, and 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
Senior Director, Rates and Regulatory

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 PUBLIC HEARING

NEW JERSEY-AMERICAN WATER COMPANY, INC.
NOTICE OF FILING OF A PETITION FOR APPROVAL OF A
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

OAL Docket No. PUC 04828-20

BPU Docket No. WR20030256

PLEASE TAKE NOTICE that on March 17, 2020, New Jersey-American Water Company, Inc. (the “Company”), pursuant to N.J.A.C. 14:9-10.1 et seq., filed a petition with the Board of Public Utilities (the “Board” or “BPU”) of the State of New Jersey seeking approval of a Foundational Filing to implement a Distribution System Improvement Charge (“DSIC”). A DSIC is a rate recovery mechanism to encourage and support accelerated rehabilitation and replacement of certain non-revenue producing, critical water distribution components. Such projects include main replacement and renewal, structural and non-structural main cleaning and lining projects, and the renewal of valves, hydrants and service connections. Its purpose is to enhance safety, reliability, water quality, systems flows and pressure, and/or conservation. A DSIC rate is interim, subject to refund, until the subsequent base rate case.

The Company’s petition consists of a Foundational Filing. The Foundational Filing lists the projects the Company believes are eligible for recovery through the DSIC surcharge for the period of 2020 through 2023. Please note that the Company proposes to collect a maximum DSIC revenue requirement of \$40.6M annually, or no more than 5.0% of the utility’s total water revenues established in the Company’s most recent base rate case. The Company will implement the DSIC surcharge if, and when, it achieves specific levels of infrastructure investment and completes and places the facilities into service as required by N.J.A.C. 14:9-10.1 et seq.

The Company has proposed that the monthly DSIC surcharge be assessed to the following services and classes of customers based on the customer's meter size: General Metered Service; Optional Industrial Wholesale; Sales for Resale—Commodity Demand; Sales for Resale—Off-Peak; Sales for Resale—Peaking Service, as provided throughout the State of New Jersey. The maximum proposed rates shown below are expected to be assessed incrementally over a two-to-three year period, commensurate with the Company's actual DSIC program capital spending.

Any relief determined by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers of the Company in such manner and, in such amounts or percentages, as the Board may deem appropriate. The Board may choose to impose a greater portion of the increase on any present or future class or classes, group or groups of customers, may exclude from any increase any of the foregoing, or may vary the amount of percentage increase applicable to any of the foregoing. The maximum proposed monthly DSIC rates are contained in the petition filed with the Board, as set forth below. These proposed rates are estimates and may change, however the maximum annual DSIC revenue requirement, \$40.6M, cannot be exceeded.

**PROPOSED DSIC SURCHARGE RATES BASED ON
METER SIZE and % INCREASE**

**General Metered Service
Maximum Monthly DSIC Surcharge:**

<u>Size of Meter</u>	<u>5/8" Equivalent*</u>	<u>Proposed Rates</u>
5/8	1.0	\$ 3.88
3/4	1.5	\$ 5.82
1	2.5	\$ 9.70
1-1/2	5.0	\$ 19.39
2	8.0	\$ 31.03
3	15.0	\$ 58.18
4	25.0	\$ 96.96
6	50.0	\$ 193.93
8	80.0	\$ 310.29
10	100.0	\$ 387.86

<u>Size of Meter</u>	<u>5/8" Equivalent*</u>	<u>Proposed Rates</u>
12	125.0	\$ 484.82
16	200.0	\$ 775.71

*Based on American Water Works Association flow rates. A 5/8" meter is equivalent to one unit, whereas a 1-inch meter is equivalent to 2.5 units based on the amount of water that will flow through the meter size.

PLEASE TAKE FURTHER NOTICE that virtual public comment hearings on the Company's petition have been scheduled as follows:

August 17, 2020

4:30 P.M.

Call in numbers (callers can use any phone number): (646) 558-8656, (312) 626-6799, and (301) 715-8592

Upon calling in, the caller will be prompted to enter the meeting ID of 837 2212 7944 and press the pound or hashtag button (#)

Press the pound or hashtag button (#) a second time (in response to the second electronic prompt)

The caller will then be prompted to enter the password for the public meeting of 621493 and press the pound or hashtag button (#)

The caller will then be entered into the waiting room where the OAL IT staff will admit the caller into the public hearing. The caller should mute their phone to prevent background noise. Failure to mute your own line may cause OAL IT staff to mute the caller and the caller would have to disconnect and call back in to participate in the public discussion portion

5:30 P.M.

Call in numbers (callers can use any phone number): (646) 558-8656, (312) 626-6799, and (301) 715-8592

Upon calling in, the caller will be prompted to enter the meeting ID of 861 2922 2637 and press the pound or hashtag button (#)

Press the pound or hashtag button (#) a second time (in response to the second electronic prompt)

The caller will then be prompted to enter the password for the public meeting of 130582 and press the pound or hashtag button (#)

The caller will then be entered into the waiting room where the OAL IT staff will admit the caller into the public hearing. The caller should mute their phone to prevent background noise. Failure to mute

your own line may cause OAL IT staff to mute the caller and the caller would have to disconnect and call back in to participate in the public discussion portion

An Administrative Law Judge from the Office of Administrative Law will preside over the virtual public comment hearings. Members of the public are invited to participate and express their views on the proposed DSIC mechanism. Such comments will be made a part of the final record in the proceeding. Written comments may be submitted to the Hon. Jacob Gertsman, Office of Administrative Law, P. O. Box 049, Trenton, New Jersey 08625-0049. Please include OAL Docket Number PUC 04828-20 S in your comment letter.

Notice of the petition was also served on the clerk, executive or administrator of each municipality and county in the service area of the Company. Further information and copies of the petition may be obtained at the Board's offices located at 44 S. Clinton Avenue, 9th Floor, Trenton, New Jersey 08625. Any members of the public who wish to inspect the petition at the Board should contact the Board's Division of Case Management at 609-292-0806 or board.secretary@bpu.nj.gov. A copy of the petition is also available at the Company's offices located at 1 Water Street, Camden, New Jersey 08102 or online at: <http://www.amwater.com/njaw/customer-service/rates-information.html>.

IN ORDER TO ENCOURAGE FULL PARTICIPATION IN THIS OPPORTUNITY FOR PUBLIC COMMENT, PLEASE SUBMIT ANY REQUESTS FOR NEEDED ACCOMMODATIONS, INCLUDING INTERPRETERS OR MOBILITY ASSISTANCE, 72 HOURS PRIOR TO THIS HEARING, TO JAMIE HAWN, SENIOR MANAGER OF RATES AND REGULATION, NEW JERSEY-AMERICAN WATER COMPANY, INC., 1 WATER STREET, CAMDEN, NEW JERSEY 08102, (856) 955-4797.

NEW JERSEY-AMERICAN WATER COMPANY, INC

BY: CHERYL NORTON
PRESIDENT

NEW JERSEY AMERICAN WATER COMPANY
1 Water Street
Camden, New Jersey 08102

