



June 20, 2022

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: New Jersey-American Water Company, Inc. Distribution System Improvement Charge ("DSIC") Foundational Filing
BPU Docket No. WR22030230**

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:

July 11, 2022 – 4:30 PM

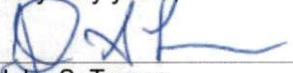
Call in number: 1-862-294-2638
Meeting ID: 116 167 430 0#

July 11, 2022 – 5:30 PM

Call in number: 1-862-294-2638
Meeting ID: 111 233 339 8#

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: Hon. Carmen Diaz, Acting Secretary of the BPU (w/enc., via regular mail)
Pamela Own, DAG, Department of Law & Public Safety (w/enc., via regular mail)
Brian O. Lipman, Director, Division of Rate Counsel (w/enc., 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
BPU Docket No. WR22030230

PLEASE TAKE NOTICE that on March 31, 2022, New Jersey-American Water Company, Inc. (the “Company”) 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”), pursuant to N.J.A.C. 14:9-10.1 et seq. 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.

PLEASE TAKE FURTHER NOTICE that due to the COVID-19 pandemic, virtual public comment hearings on the petition have been scheduled for **July 11, 2022**, as follows:

4:30 P.M

Dial in to **1-862-294-2638** and enter conference ID: **116 167 430 0#**, or join by video conference at **<https://bit.ly/3Mr6GFJ>** via the internet.

5:30 P.M.

Dial in to **1-862-294-2638** and enter conference ID: **111 233 339 8#**, or join by video conference at **<https://bit.ly/3P8q4pz>** via the internet.

The virtual public comment hearings will be presided over by a hearing officer designated by the Board. Representatives of the Company, Board Staff and the New Jersey Division of Rate Counsel will participate in the virtual public hearings.

Whether or not you attend the virtual public hearings, written and/or electronic comments may be submitted to the Board. While all comments will be given equal consideration and will be made part of the final record of this proceeding, the preferred method of transmittal is via the Board's [Public Document Search](#) tool. Search for the docket number WR22030230, and post by utilizing the "Post Comments" button. Emailed comments may also be filed with the Secretary of the Board, in pdf or Word format, to board.secretary@bpu.nj.gov. Written comments may also be submitted to the attention of the Honorable Carmen Diaz, Acting Secretary at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350. Persons submitting written comments should include Docket No. WR22030230 in their submissions.

Copies of the Company's petition are available for inspection at the offices of NJAWC located at 1 Water Street, Camden, New Jersey 08102, or on NJAWC's website at www.newjerseyamwater.com. Copies may also be obtained by calling NJAWC at 856-955-4001. Further information and copies of the petition may also be obtained at the Board's Offices located at 44 South Clinton Avenue, 9th Floor, Trenton, NJ 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.

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 2022 through 2025. Please note that the Company proposes to collect a maximum DSIC revenue requirement of 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; and Sales for Resale, 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. The maximum revenues will be set in the Company's currently pending base rate case, BPU Docket No. WR22010019.

PROPOSED DSIC SURCHARGE RATES BASED ON METER SIZE

General Metered Service
Maximum Monthly DSIC Surcharge:

<u>Size of Meter</u>	<u>5/8" Equivalent*</u>	<u>Proposed Rate</u>
5/8	1.0	\$3.81
3/4	1.5	\$5.71
1	2.5	\$9.52
1-1/2	5.0	\$19.04
2	8.0	\$30.46
3	15.0	\$57.12
4	25.0	\$95.19

<u>Size of Meter</u>	<u>5/8" Equivalent*</u>	<u>Proposed Rate</u>
6	50.0	\$190.39
8	80.0	\$304.62
10	100.0	\$380.77
12	125.0	\$475.96
16	200.0	\$761.54

*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.

Notice of the Petition was served on the clerk, executive or administrator of each municipality and county within the Company's service area. Such notice has also been served, together with the Verified Petition and all exhibits, upon the Director of the Division of Rate Counsel, who will represent the interests of ratepayers in this proceeding. 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 AT LEAST 72 HOURS PRIOR TO THE HEARING TO DENISE FREE OF NEW JERSEY-AMERICAN WATER AT (856) 955-4001.

NEW JERSEY AMERICAN WATER COMPANY, INC.

BY: MARK S. MCDONOUGH
PRESIDENT

NEW JERSEY AMERICAN WATER
1 WATER STREET
CAMDEN, NEW JERSEY 08102