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CASE MANAGEMENT

FEB 9 - 2018

BOARD OF PUBLIC UTILITIES
AMERICAN WATER

TOWNSHIP OF HOWELL
RECEIVED

2017 DEC 18 P 1:19

CLERK'S OFFICE

Frank
2/12/18

Frank X. Simpson, Senior Director P 856.782.2351
Rates and Regulation F 856.782.2490
1025 Laurel Oak Road
Voorhees, NJ 08043

frank.simpson@amwater.com

BOARD OF PUBLIC UTILITIES

December 15, 2017

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

FEB -9 2018

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

MAIL RECEIVED

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; CHANGE IN DEPRECIATION RATES AND OTHER TARIFF
MODIFICATIONS
BPU Docket No. WR17090985
OAL Docket No. PUC-14251-2017S

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 following:

1. Notice of Filing of Proposed Rate-Increase and of Public Hearing; and
2. Board of Public Utilities' Suspension Order entered October 20, 2017.

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:

January 8, 2018 at 1:00 p.m.
Westfield Memorial Library
Main Meeting Room
550 East Broad Street
Westfield, NJ 07090

January 8, 2018 at 6:00 p.m.
Haddonfield Borough Hall
Auditorium
242 Kings Highway East
Haddonfield, NJ 08033

January 10, 2018 at 1:00 p.m.
Ocean City Public Library
Room 111
1735 Simpson Avenue
Ocean City, NJ 08226

January 10, 2018 at 6:00 p.m.
Howell Township Municipal Building
Main Meeting Room
4567 Route 9 North
Howell, NJ 07731

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
www.newjerseyamwater.com.

Very truly yours,

Frank X. Simpson
Frank X. Simpson

- cc: Service list (via e-mail)
Hon. Jacob Gertsman, ALJ (via regular mail)
Hon. Irene Kim Asbury, Secretary of the BPU (via certified mail, RRR)
Department of Law & Public Safety (via certified mail, RRR)
Division of Rate Counsel (via certified mail, RRR)

~~XXXX~~
~~XXXX~~

Case Mgmt
J. Kane
E. Kachur
M. Moran

*Allison -
Post website*

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

**ALL 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, CHANGE IN DEPRECIATION RATES,
AND OTHER TARIFF MODIFICATIONS**

**BPU DOCKET NO. WR17090985
OAL DOCKET NO. PUC 14251-2017 S**

TO OUR CUSTOMERS:

Notice is hereby given that on September 15, 2017, 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 change its depreciation rates and to implement other tariff revisions. These changes were proposed to become effective for service rendered on or after October 15, 2017, 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 March 31, 2018, the new rates proposed herein will yield additional operating revenues of \$129.3 million or 17.54%. 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 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.newjersevamwater.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*:					
SA-1	6,000 gal/mo.	\$56.83	\$67.17	\$10.34	18.19%
SA-2, 3, 1A	6,000 gal/mo.	\$55.95	\$67.17	\$11.22	20.05%
SA-2 (Manville), SA-1D	6,000 gal/mo.	\$53.35	\$67.17	\$13.82	25.90%
SA-3 (Southampton)	6,000 gal/mo.	\$51.09	\$63.90	\$12.81	25.07%
SA-1B (Pennsgrove)	6,000 gal/mo.	\$46.63	\$58.32	\$11.69	25.07%
SA-1C (former Shorelands)	6,000 gal/mo.	\$42.64	\$53.50	\$10.86	25.47%
SA-1E (Haddonfield)	6,000 gal/mo.	\$42.58	\$53.23	\$10.65	25.01%
Manasquan Resale	Various	Various	Various	Various	5.04%
Optional Industrial Wholesale	Various	Various	Various	Various	30.12%
Sales for Resale – CD	Various	Various	Various	Various	9.75%
Sales for Resale – SOS	Various	Various	Various	Various	23.36%
Private Fire Protection	Various	Various	Various	Various	3.27%
Public Fire Protection	Various	Various	Various	Various	1.59%
Sewer					10.40%
Ocean City	44,000 gal/summer	\$66.83	\$73.17	\$6.34	9.49%
Lakewood/Elk	6,000 gal/mo.	\$56.19 - \$62.44	\$64.28 - \$68.36	\$5.92 - \$8.09	9.48% - 14.40%
Adelphia	4,000 gal/mo.	\$53.98	\$54.79	\$0.81	1.49%
Former AWWM/Pottersville	4,000 – 6,000 gal/mo.	\$81.20 - \$98.80	\$83.64 - \$101.76	\$2.44 - \$2.96	3.00%
Jensen's Run	4,000 gal/mo.	\$55.20	\$58.26	\$3.06	5.54%
Haddonfield	6,000 gal/mo.	\$18.45	\$24.49	\$6.04	32.74%

*Rates for GMS customers (except former Borough of Haddonfield and Shorelands Water Company customers) include Purchased Water Adjustment Clause (PWAC) approved by the Board under BPU Docket Number WR16111086 at \$0.4540 per 1,000 gallons or \$0.33959 per 100 cubic feet and include the Distribution System Improvement Charge approved by the Board under BPU Docket No. WR15060724.

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 1025 Laurel Oak Road, Voorhees, NJ, and can also be found on the Company's website at www.newjersevamwater.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:

**January 8, 2018 at 1:00 p.m.
Westfield Memorial Library
Main Meeting Room
550 East Broad Street
Westfield, NJ 07090**

**January 8, 2018 at 6:00 p.m.
Haddonfield Borough Hall
Auditorium
242 Kings Highway East
Haddonfield, NJ 08033**

**January 10, 2018 at 1:00 p.m.
Ocean City Public Library
Room 111
1735 Simpson Avenue
Ocean City, NJ 08226**

**January 10, 2018 at 6:00 p.m.
Howell Township Municipal Building
Main Meeting Room
4567 Route 9 North
Howell, NJ 07731**

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

**January 16, 2018 at 1:00 p.m.
Westfield Memorial Library
Main Meeting Room
550 East Broad Street
Westfield, NJ 07090**

**January 16, 2018 at 6:00 p.m.
Haddonfield Borough Hall
Room 102
242 Kings Highway East
Haddonfield, NJ 08033**

**January 18, 2018 at 1:00 p.m.
Ocean City Public Library
Room 111
1735 Simpson Avenue
Ocean City, NJ 08226**

**January 18, 2018 at 6:00 p.m.
Howell Township Middle School North
Media Center
501 Squankum Yellowbrook Road
Farmingdale, NJ 07727**

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 BPU and the OAL regardless of whether they attend a hearing by addressing them to: Secretary, Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor, Suite 314, P.O. Box 350, Trenton, NJ 08625-0350, or the Clerk, Office of Administrative Law, P.O. Box 049, Trenton, New Jersey 08625-0049. Such written comments should be identified with the heading "New Jersey American Water Company Rate Filing: Public Hearing," and include the BPU Docket Number WR17090985 and OAL Docket Number PUC 14251-2017 S 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, 856-782-2316, Denise.Free@amwater.com.

NEW JERSEY AMERICAN WATER COMPANY

**BY: ROBERT MacLEAN
PRESIDENT
NEW JERSEY AMERICAN WATER COMPANY
1025 Laurel Oak Road
Voorhees, NJ 08043**



Agenda Date: 10/20/17
Agenda Item: VA

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3RD Floor, Suite 314
Post Office Box 350
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 TARIFF RATES AND)	ALTERATIONS IN RATES
CHARGES FOR WATER AND WASTEWATER)	FOR SERVICE
SERVICE, CHANGE IN DEPRECIATION RATES AND)	
OTHER TARIFF MODIFICATIONS)	DOCKET NO. WR17090985

Parties of Record:

Ira G. Megdal, Esq., Cozen O'Connor, PC, on behalf of New Jersey-American Water Company, Inc.
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:¹

On September 14, 2017, 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 pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1,² N.J.A.C. 14:1-5.7 and N.J.A.C. 14:1-5.12, seeking to increase rates for water and wastewater service. The combined proposed rates would increase the Company's annual revenues by \$129.3 million or approximately 17.54% over pro-forma present rate revenues. Petitioner serves approximately 631,000 water and fire service customers and approximately 41,000 sewer service customers. The increase in rates was proposed to become effective on October 15, 2017.³ Petitioner proposes an amortization period of five years for these investments.

¹ Commissioner Dianne Solomon did not participate.

² The Board notes that although the petition cites N.J.S.A. 48:2-21.1, the petition does not include a request for an adjustment of rates during the pendency of the hearing.

³ On September 22, 2017, the Company filed a letter with the Board via electronic mail stating that it will not implement rates on an interim basis prior to the effective date of the Board's Suspension Order resulting from the Board's October 20, 2017 Agenda Meeting. However, the Company states that it does not waive its "right to implement the proposed rates at the conclusion of the eight month suspension period on June 15, 2018 should the Board not issue a final Decision and Order by that date." Id.

According to the Petition, the rate increase is required: (a) to establish an income level that will permit the Company to finance essential and continuing plant investment; (b) to permit the Company to earn a fair and adequate rate of return on its net investment in used and useful property; (c) to establish rates which will be sufficient to enable the Company, under efficient and economical operation, to maintain and support its financial integrity and to raise such funds as may be necessary for the proper discharge of its public duties; (d) to provide earnings sufficient to attract investors and provide sufficient cash flow to fund the Company's operations; and (e) to enable the Company to continue to provide safe, adequate and proper service to its customers.

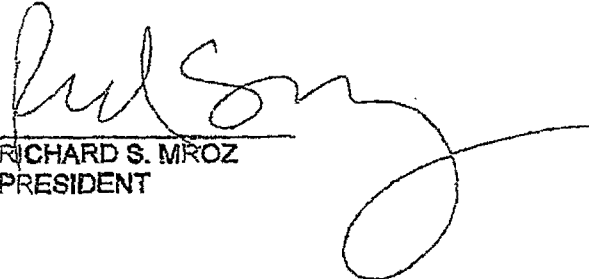
It appearing that the proposed revisions will increase existing rates and change or alter existing classifications in Petitioner's tariff, it is **HEREBY ORDERED** that:

- (1) Pursuant to N.J.S.A. 48:2-21, the proposed revisions be, and are suspended until February 15, 2018, unless the Board prior to that date, makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) Petitioner shall, at least ten (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, Division of Rate Counsel (140 East Front Street, 4th Floor, Post Office Box 003, Trenton, NJ 08625-0003), the clerk of each affected municipality, the clerk of the Boards of Chosen Freeholders of each affected county, and where appropriate, the executive officer of each affected county within its service area. Service of the petition; notice of hearings and this Order may be made simultaneously. Proof of service of this Order shall be filed with the Board within fifteen (15) days of the date of this Order.

This Order shall be effective on October 30, 2017.

DATED: 10/20/17

BOARD OF PUBLIC UTILITIES
BY:



RICHARD S. MROZ
PRESIDENT



JOSEPH L. FIORDALISO
COMMISSIONER



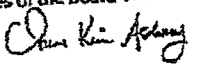
MARY-ANNA HOLDEN
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
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 OF NEW JERSEY-AMERICAN WATER COMPANY,
INC. FOR APPROVAL OF INCREASED TARIFF RATES AND CHARGES FOR WATER AND
WASTEWATER SERVICE, CHANGE IN DEPRECIATION RATES AND OTHER TARIFF
MODIFICATIONS - BPU DOCKET NO. WR17090985**

SERVICE LIST

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Imegdal@cozen.com

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

Irene Kim Asbury, Esq.
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
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