

October 30, 2020

VIA ELECTRONIC MAIL

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Aida Camacho-Welch
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
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Re: I/M/O the New Jersey Board of Public Utilities' Response to the
COVID-19 Pandemic
BPU Docket No. AO20060471

Dear Secretary Camacho-Welch:

Pursuant to an Order Authorizing Establishment of a Regulatory Asset for Incremental COVID-19 Related Expenses (the "Order"), approved and issued by the New Jersey Board of Public Utilities (the "Board") in the above-referenced docket on July 2, 2020, New Jersey's regulated utilities were authorized to defer COVID-19-related incremental costs and related offsets into a regulatory asset.

In compliance with the Order and its terms, Aqua New Jersey Inc. ("Aqua") has tracked such prudently incurred incremental costs and includes the current quarterly report as **Attachment 1**¹ Please note that Aqua did not file a quarterly report on August 1, 2020, as the Company had not yet identified all relevant information. Aqua provides its detailed information for that period in this quarterly report, and will continue reporting these relevant costs on a quarterly basis going-forward.

¹ In light of exigencies created by the COVID-19 pandemic, **Attachment 1** is accompanied by a Certification in lieu of an Affidavit of Verification. The individual providing the Certification is a corporate officer of Essential Utilities.

Aida Camacho-Welch, Secretary

October 30, 2020

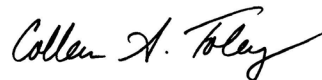
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Among the COVID-19-related incremental costs included in the Company's report are the following: lost/waived reconnection fee revenues, personal protective equipment costs, cleaning/sanitizing costs, employee-related costs, bad debt, and other supply costs. Additionally, the attached quarterly report includes data regarding the aging of accounts receivable balances used to develop the estimate for bad debt, as well as a calculation of off-setting cost savings. As the Board is well aware, the COVID-19 pandemic is a very fluid situation that has the ability to impact the Company's performance in a multitude of ways. As such, Aqua respectfully reserves the right to add additional incremental costs to this or future quarterly reports.

Consistent with the Order issued by the Board in connection with *In the Matter of the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, Order dated March 19, 2020, this letter and its attachment(s) are being electronically filed with the Secretary of the Board and the New Jersey Division of Rate Counsel. No paper copies will follow.

Should you have any questions or concerns regarding the above, please do not hesitate to contact me.

Respectfully submitted,



Colleen Foley
An Attorney at Law of the
State of New Jersey

Enclosures

cc: Service List w/enclosures (email only)

In the Matter of the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic
BPU Docket No. AO20060471

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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

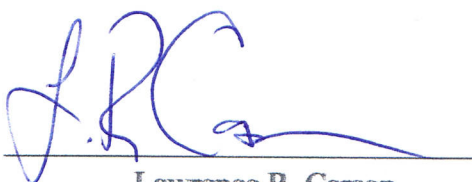
I/M/O THE NEW JERSEY BOARD :
OF PUBLIC UTILITIES' RESPONSE : **BPU DOCKET NO. AO20060471**
TO THE COVID-19 PANDEMIC :

CERTIFICATION OF LAWRENCE R. CARSON

Lawrence R. Carson, of full age, certifies as follows:

1. I am President of Aqua New Jersey, Inc. ("Aqua"). In light of the constraints associated with the COVID-19 pandemic, I am submitting this Certification in lieu of a Verification in support of Aqua's October 30, 2020 quarterly filing in the above-referenced docket.
2. I hereby certify that, as President, I am duly authorized to make this Certification on Aqua's behalf.
3. I further certify that the information and data contained in the October 30, 2020 quarterly filing are true and correct to the best of my knowledge, information, and belief.
4. I further and finally certify that the foregoing statements made by me are true. I am aware that, if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: October 30, 2020

By: 
Lawrence R. Carson

Attachment 1

		Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
Lost Revenues												
Waived Reconnect Fees	see Note 1	3,526	7,176	7,176	7,226	7,126	7,176	7,176				46,584
Incremental PPE, Cleaning, Other												
Personal Protective Equipment (PPE)		562	9,127	845	(2,587)	776	645	528				9,895
Cleaning		-	2,224	1,063	-	531	523	523				4,864
Other Supplies		-	485	-	23	-	-	-				508
Employee related		-	204	1,120	-	-	-	-				1,324
Bad Debt	see Note 3							137,366				137,366
Cost Savings (offsets)												
Travel Expenses	see Note 2	(771)	(2,184)	(2,060)	(2,105)	(1,559)	(1,968)	(887)				(11,534)
Seasonal Workers not hired				(1,598)	(7,031)	(7,351)	(6,712)					(22,692)
Total Aqua New Jersey		3,317	17,032	6,546	(4,474)	(477)	(335)	144,707				166,316
Cumulative Aqua New Jersey		3,317	20,349	26,895	22,421	21,944	21,609	166,316				166,316

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
Note 1 - Waived Reconnect Fees											
Average Collected Jan-Sept 2018 & 2019	7,176	7,176	7,176	7,176	7,176	7,176	7,176	7,176			50,234
Actual Collected 2020	3,650	-	-	(50)	50	-	-				3,650
Variance	3,526	7,176	7,176	7,226	7,126	7,176	7,176				46,584

Note 2 - Travel Expenses											
Average Expense Jan-Sept 2018 & 2019	2,265	2,265	2,265	2,265	2,265	2,265	2,265	2,265			15,856
Actual Spent 2020	1,494	81	205	160	706	297	1,378				4,323
Variance	771	2,184	2,060	2,105	1,559	1,968	887				11,534

Note 3 - Bad Debt - Evaluated at a point in Time

	Authorized in Rates	2020 Sept YTD	2019 Full Year	2018 Full Year	2017 Full Year	2016 Full Year	2015 Full Year	2014 Full Year
Water Cust Acct/Recov	136,569	69,535	113,102	154,619	123,368	118,250	102,967	129,902
Sewer Cust Acct/Recov	17,174	3,429	16,610	20,687	16,001	16,546	14,519	11,333
Reserve Change		182,881	14,165	13,993	10,817	14,552	54,493	-
Reserve - See Note 4		377,307	194,426	180,261	166,268	155,451	140,899	86,406
Income Statement Impact		255,845	143,877	189,299	150,186	149,347	171,979	141,235
Operating Revenue Water	42,956,418	33,584,242	40,547,058	36,996,779	38,497,955	39,074,551	37,677,377	34,837,443
Operating Revenue Sewer	5,427,758	3,702,014	4,706,413	4,651,662	4,589,742	4,314,333	4,168,572	3,715,359

Ratios

Customer Accounts with Recovery/Revenue	Authorized Rate	2020 Sept YTD	2019 Full Year	2018 Full Year	2017 Full Year	2016 Full Year	2015 Full Year	2014 Full Year
Water	0.32%	0.21%	0.28%	0.42%	0.32%	0.30%	0.27%	0.37%
Sewer	0.32%	0.09%	0.35%	0.44%	0.35%	0.38%	0.35%	0.31%
Total	0.32%	0.20%	0.29%	0.42%	0.32%	0.31%	0.28%	0.37%

Sept 2020 YTD Revenue * Authorized Rate	118,479
Excess IS Impact over Authorized	137,366

Note 4 - Development of Sept 2020 Bad debt Reserve

	0-30	31-60	61-90	91-120	121-180	181+	Total
Sept 2020 Accounts Receivable	2,920,701	460,140	237,876	138,349	116,864	158,434	4,032,364
Standard Anticipated Bad debt %s		3%	8%	15%	40%	100%	
Additional Covid related Bad debt %		0%	0%	35%	60%	0%	
Bad debt Reserve	-	13,804	19,030	69,175	116,864	158,434	377,307

History - Distribution of Receivables Aging

		AR Total \$\$	> 90 Days \$\$	> 90 Days %
March	2019	2,953,784	162,992	5.5%
April	2019	2,155,873	89,214	4.1%
May	2019	2,216,534	97,236	4.4%
June	2019	3,451,744	106,463	3.1%
July	2019	3,225,657	108,194	3.4%
August	2019	2,989,009	96,450	3.2%
September	2019	3,672,239	99,340	2.7%
October	2019	2,967,016	102,036	3.4%
November	2019	3,409,276	163,849	4.8%
December	2019	3,503,855	125,086	3.6%
January	2020	2,800,986	172,212	6.1%
February	2020	2,843,711	180,238	6.3%
March	2020	3,111,460	183,644	5.9%
April	2020	3,031,467	204,243	6.7%
May	2020	3,137,240	269,146	8.6%
June	2020	3,723,783	303,187	8.1%
July	2020	3,636,777	325,753	9.0%
August	2020	3,629,991	334,650	9.2%
September	2020	4,032,364	413,648	10.3%