

**New Jersey-American Water Company, Inc.  
Revenue Requirement Computation**

**New Jersey-American Water Company, Inc.**

**Docket No. WRxxxxxxxx**

**Witness: John S. Tomac**

**Exhibit No. P-2, Schedule RR**

**Page 1 of 1**

Line No.		Reference Schedule	Revenue Requirement
1			
2	Proposed Rate Base	15	\$4,267,405,697
3			
4	Rate of Return Required	16	<u>7.4811%</u>
5			
6	Utility Operating Income Under Proposed Rates		319,248,888
7			
8	Utility Operating Income at Post-Test Year Present Rates	4	<u>255,165,441</u>
9			
10	Utility Operating Income Deficiency		64,083,447
11			
12	Gross Revenue Conversion Factor <sup>1</sup>		<u>1.47724</u>
13			
14	Revenue Increase Requested		<u><u>\$94,666,545</u></u>
15			
16			
17			
18			
19			
20			
21			
22	<u><sup>1</sup> Gross Revenue Conversion Factor Calculation</u>		<u>Gross-up Factor</u>
23			100.00000%
24	Less: Uncollectible Expense	7	0.40602%
25	Less: Utility Assessment Fee	12	0.26883%
26	Less: GRAFT Tax	11	<u>13.63671%</u>
27	Sub-total		85.68844%
28	Less: FIT	21.00%	<u>17.99457%</u>
29	Revenue Income Percent		67.69387%
30	Revenue Gross-up Factor		1.47724
31			

**New Jersey-American Water Company, Inc.**  
**Comparative Balance Sheet**

**New Jersey-American Water Company, Inc.**  
**Docket No. WRxxxxxxxx**  
**Witness: John S. Tomac**

**Exhibit No. P-2, Schedule 1**  
**Page 1 of 2**

Line No.	Account Title	December-20	December-19	December-18
1				
2	Assets and Other Debits			
3				
4	<u>Utility Plant</u>			
5	101-106 Utility Plant	\$6,090,286,219	\$5,652,071,848	\$5,372,883,435
6	107 Construction Work in Progress	156,532,954	159,195,290	79,514,415
7	111-113 Accumulated Provision for Amort & Depreciation	(1,361,075,450)	(1,295,170,793)	(1,211,682,681)
8	114-115 Utility Plant Adjustments	(8,589,301)	4,158,533	4,505,769
9				
10	Net Utility Plant	<u>\$4,877,154,422</u>	<u>\$4,520,254,878</u>	<u>\$4,245,220,938</u>
11				
12	<u>Other Property &amp; Investments</u>			
13	121 Non-Utility Property	\$594,145	\$594,145	\$594,145
14				
15	Total Other Property and Investments	<u>\$594,145</u>	<u>\$594,145</u>	<u>\$594,145</u>
16				
17	<u>Current and Accrued Assets</u>			
18	123-124 Investments	\$31,687,377	\$31,588,515	\$28,714,187
19	131, 135 Cash and Equivalents	2,325,879	4,405,406	3,136,525
20	134 Special Deposits	8,600	27,160	27,160
21	135 Working Funds	0	0	0
22	136 Temporary Cash Investments	0	0	0
23	142 Customer Accounts Receivable	68,759,382	54,258,912	52,725,444
24	143 Other Accounts Receivable	8,793,332	8,563,267	7,039,086
25	144 Accum. Provision for Uncollectible Accounts	(7,050,921)	(3,090,357)	(4,049,315)
26	145-146 Accounts Receivable from Associated Companies	112,342,262	61,587,698	(174,110)
27	151-163 Materials and Supplies	12,061,076	11,209,721	9,519,977
28	165 Prepayments	6,802,077	8,497,024	9,608,228
29	173 Accrued Utility Revenue	36,859,689	34,611,620	36,431,573
30	174 Misc. Current and Accrued assets	720,324	604,979	1,221,121
31				
32	Total Current and Accrued Assets	<u>\$273,309,077</u>	<u>\$212,263,945</u>	<u>\$144,199,876</u>
33				
34	<u>Deferred Debits</u>			
35	181 Unamortized Debt Discount and Expense	\$22,050,880	\$20,337,318	\$19,713,659
36	183-186 Other Deferred Debits	57,470,033	60,047,065	67,762,309
37				
38	Total Deferred Debits	<u>\$79,520,913</u>	<u>\$80,384,383</u>	<u>\$87,475,968</u>
39				
40	Total Assets and Other Debits	<u>\$5,230,578,557</u>	<u>\$4,813,497,351</u>	<u>\$4,477,490,927</u>
41				
42				
43				

**New Jersey-American Water Company, Inc.**  
**Comparative Balance Sheet**

**New Jersey-American Water Company, Inc.**  
**Docket No. WRxxxxxxxx**  
**Witness: John S. Tomac**

**Exhibit No. P-2, Schedule 1**  
**Page 2 of 2**

Line No.	Account Title	December-20	December-19	December-18
1				
2	Liabilities and Other Credits			
3	<u>Proprietary Capital</u>			
4	201-203 Common Capital Stock	\$86,974,200	\$86,974,200	\$86,974,200
5	204-206 Preferred Capital Stock	0	0	0
6	207-214 Other Paid-In Capital	1,062,184,889	935,669,227	878,493,562
7	215-216 Appropriated and Unappropriated Earned Surplus	721,364,780	670,863,459	626,032,872
8				
9	Total Proprietary Capital	<u>\$1,870,523,869</u>	<u>\$1,693,506,886</u>	<u>\$1,591,500,634</u>
10				
11	<u>Long-Term Debt</u>			
12	221-224 Bonds & Long Term debt	\$1,588,728,681	\$1,433,762,425	\$1,383,413,334
13				
14	<u>Current and Accrued Liabilities</u>			
15	231 Notes Payable	\$0	\$0	\$0
16	232 Accounts Payable	92,798,858	80,086,057	60,354,117
17	233,234 Accounts Payable to Associated Companies	354,012,352	322,611,513	178,782,185
18	235 Customer Deposits	0	0	0
19	236 Taxes Accrued	(1,063,848)	(3,583,405)	(1,875,905)
20	237 Interest Accrued	11,800,758	12,367,915	14,265,629
21	238 Dividends Declared			
22	239 Matured Long Term Debt	0	0	0
23	241 Tax Collections Payable	2,255	1,518	2,537
24	242 Misc. Current & Accrued Liabilities	28,855,273	30,149,376	29,441,507
25				
26	Total Current and Accrued Liabilities	<u>\$486,405,648</u>	<u>\$441,632,974</u>	<u>\$280,970,070</u>
27				
28	<u>Deferred Credits</u>			
29	252 Customer Advances for Construction	\$101,557,262	\$74,250,007	\$75,652,149
30	253-255 Other Deferred Credits	461,790,294	487,008,008	491,693,864
31				
32	Total Deferred Credits	<u>\$563,347,556</u>	<u>\$561,258,015</u>	<u>\$567,346,013</u>
33				
34	<u>Operating Reserves</u>			
35	265 Deferred Income Taxes	\$477,738,102	\$440,594,944	\$421,302,499
36				
37	271 Contributions in Aid of Construction	\$243,834,701	\$242,742,107	\$232,958,377
38				
39	Total Liabilities & Other Credits	<u>\$5,230,578,557</u>	<u>\$4,813,497,351</u>	<u>\$4,477,490,927</u>

<sup>1</sup> Account titles reflect 1960 NJ uniform system of accounts

43

**New Jersey-American Water Company, Inc.**  
**Comparative Income Statement**

New Jersey-American Water Company, Inc.  
Docket No. WRxxxxxxxxx  
Witness: John S. Tomac

Exhibit No. P-2, Schedule 2  
Page 1 of 1

Line No.	Account Title	December-20	December-19	December-18
1				
2	Utility Operating Income			
3	400 Operating Revenues	\$791,106,652	\$754,452,013	\$717,776,708
4				
5	<u>Operating Expenses</u>			
6	401-402 Operation & Maintenance Expense	254,965,922	250,756,413	247,744,312
7	403 Depreciation Expense	138,336,681	127,426,960	124,392,391
8	404-407 Amortization Expense	1,314,401	1,205,982	1,171,421
9	408 Taxes Other Than Income Taxes	109,652,249	106,047,115	107,728,235
10	409 Amortization of Investment Tax Credit	(371,253)	(336,881)	(338,196)
11	Total Operating Expenses Before Federal Income Taxes	\$503,898,000	\$485,099,589	\$480,698,163
12				
13	<u>Utility Operating Income Before Federal Income Taxes</u>	\$287,208,652	\$269,352,424	\$237,078,545
14	409 Federal Income Taxes	41,222,285	43,121,123	37,720,395
15	Utility Operating Income	\$245,986,367	\$226,231,301	\$199,358,150
16				
17	<u>Other Income</u>			
18	419 Interest and Dividend Income	\$363,336	\$188,728	\$371,667
19	417, 421 Miscellaneous Non-Operating Income	8,134,347	5,687,449	6,853,919
20	422 Gain (Loss) from Disposition of Property	(148,985)	208,130	2,145,963
21	Total Other Income	\$8,348,698	\$6,084,307	\$9,371,549
22				
23	Gross Income	\$254,335,065	\$232,315,608	\$208,729,699
24	<u>Miscellaneous Income Deductions</u>			
25	425 Miscellaneous Amortizations	\$98,975	\$98,975	\$98,975
26	426 Other Income Deductions	86,472	189,761	377,460
27	Total Miscellaneous Income Deductions	185,447	288,736	476,435
28	Income Before Interest Charges	\$254,149,618	\$232,026,872	\$208,253,264
29				
30	<u>Interest Charges</u>			
31	427 Interest on Long Term Debt	\$61,946,961	\$66,801,945	\$64,839,011
32	428-429 Amortization of Debt Discount and Expense	2,611,422	1,874,118	2,026,230
33	431 Bank Debt	1,881,172	4,379,452	2,995,228
34	431 Other	0	0	0
35	432 Interest Charged to Construction	(2,578,309)	(1,856,377)	(2,482,658)
36	Total Interest Charges	\$63,861,246	\$71,199,138	\$67,377,811
37				
38	Net Income	\$190,288,372	\$160,827,734	\$140,875,453
39				
40	<u>Dividends Paid</u>			
41	437 Preferred Stock	\$0	\$0	\$0
42	438 Common Stock	139,715,355	115,223,420	106,386,841
43	Total	\$139,715,355	\$115,223,420	\$106,386,841
44				

45 <sup>1</sup> Account titles reflect 1960 NJ uniform system of accounts

**New Jersey-American Water Company, Inc.**  
**Comparative Balance Sheet**

**New Jersey-American Water Company, Inc.**

**Docket No. WRxxxxxxxx**

**Witness: John S. Tomac**

**Exhibit No. P-2, Schedule 3**

**Page 1 of 2**

Line No.	Account Title	Balance As Of 11/30/2021
1		
2	Assets and Other Debits	
3		
4	<u>Utility Plant</u>	
5	101-106 Utility Plant	\$6,386,096,006
6	107 Construction Work in Progress	183,234,523
7	111-113 Accumulated Provision for Amort & Depreciation	(1,464,017,156)
8	114-115 Utility Plant Adjustments	35,137,999
9		
10	Net Utility Plant	<u>\$5,140,451,371</u>
11		
12	<u>Other Property &amp; Investments</u>	
13	121 Non-Utility Property	\$594,144
14		
15	Total Other Property and Investments	<u>\$594,144</u>
16		
17	<u>Current and Accrued Assets</u>	
18	123-124 Investments	(\$226,847)
19	131, 135 Cash and Equivalents	2,061,297
20	134 Special Deposits	2,230,000
21	135 Working Funds	0
22	136 Temporary Cash Investments	0
23	142 Customer Accounts Receivable	82,613,659
24	143 Other Accounts Receivable	11,484,564
25	144 Accum. Provision for Uncollectible Accounts	(18,615,960)
26	145-146 Accounts Receivable from Associated Companies	(712,011)
27	151-163 Materials and Supplies	14,400,759
28	165 Prepayments	758,969
29	173 Accrued Utility Revenue	42,045,577
30	174 Misc. Current and Accrued assets	2,815,995
31		
32	Total Current and Accrued Assets	<u>\$138,856,001</u>
33		
34	<u>Deferred Debits</u>	
35	181 Unamortized Debt Discount and Expense	\$20,877,800
36	183-186 Other Deferred Debits	64,089,008
37		
38	Total Deferred Debits	<u>\$84,966,808</u>
39		
40	Total Assets and Other Debits	<u>\$5,364,868,325</u>
41		
42		
43		

**New Jersey-American Water Company, Inc.**  
**Comparative Balance Sheet**

**New Jersey-American Water Company, Inc.**

**Docket No. WRxxxxxxxx**

**Witness: John S. Tomac**

**Exhibit No. P-2, Schedule 3**

**Page 2 of 2**

Line No.	Account Title	Balance As Of 11/30/2021
1		
2	Liabilities and Other Credits	
3	<u>Proprietary Capital</u>	
4	201-203 Common Capital Stock	\$86,974,200
5	204-206 Preferred Capital Stock	0
6	207-214 Other Paid-In Capital	1,177,680,721
7	215-216 Appropriated and Unappropriated Earned Surplus	835,886,353
8		
9	Total Proprietary Capital	<u>\$2,100,541,274</u>
10		
11	<u>Long-Term Debt</u>	
12	221-224 Bonds & Long Term debt	\$1,696,085,872
13		
14	<u>Current and Accrued Liabilities</u>	
15	231 Notes Payable	\$43,578,448
16	232 Accounts Payable	104,883,225
17	233,234 Accounts Payable to Associated Companies	133,972,328
18	235 Customer Deposits	0
19	236 Taxes Accrued	(9,195,806)
20	237 Interest Accrued	16,975,293
21	238 Dividends Declared	0
22	239 Matured Long Term Debt	0
23	241 Tax Collections Payable	3,007
24	242 Misc. Current & Accrued Liabilities	32,389,103
25		
26	Total Current and Accrued Liabilities	<u>\$322,605,598</u>
27		
28	<u>Deferred Credits</u>	
29	252 Customer Advances for Construction	\$120,963,576
30	253-255 Other Deferred Credits	7,664,652
31		
32	Total Deferred Credits	<u>\$128,628,227</u>
33		
34	<u>Operating Reserves</u>	
35	265 Deferred Income Taxes	\$873,443,168
36		
37	271 Contributions in Aid of Construction	\$243,564,184
38		
39	Total Liabilities & Other Credits	<u>\$5,364,868,324</u>
40		
41		
42	<sup>1</sup> Account titles reflect 1960 NJ uniform system of accounts	

**New Jersey-American Water Company, Inc.  
Operating Income Statement**

New Jersey-American Water Company, Inc.

Docket No. WRxxxxxxxx

Witness: John S. Tomac

Exhibit No. P-2, Schedule 4

Page 1 of 1

Line No.	Reference Schedule	12 Mos ending Test Year June 2022	Post-Test Year ending March 31, 2023 - Present Rates		Post-Test Year ending March 31, 2023 - Proposed Rates	
			Adjustments	Post-Test Year Amount	Revenue Deficiency	Post-Test Year Amount
	(1)	(2)	(3)	(4)	(5)	(6)
3	5	\$844,069,533	(\$35,657,821)	\$808,411,712	\$94,666,545	\$903,078,257
5		Operating Expenses				
6	6	Operation & Maintenance Expense *	(34,385,179)	229,752,886	384,365	230,137,251
7	8	Depreciation & Amortization Expense	12,996,533	166,805,766	0	166,805,766
8	10	Taxes Other Than Income Taxes	4,673,129	122,423,278	13,163,891	135,587,169
10		Total Operating Expenses Before Income Taxes	(16,715,517)	518,981,931	13,548,256	532,530,187
12		Utility Operating Income Before FIT	(18,942,305)	289,429,782	81,118,289	370,548,071
13	14	Federal Income Taxes	2,571,468	34,264,341	17,034,840	51,299,181
15		Utility Operating Income	<u>(\$21,513,773)</u>	<u>\$255,165,441</u>	<u>\$64,083,449</u>	<u>\$319,248,890</u>
17	15	Rate Base		<u>\$4,267,405,697</u>		<u>\$4,267,405,697</u>
19	16	Rate of Return		5.9794%		7.4811%

\* Test year revenues and expenses include PWAC/PSTAC and DSIC amounts; removed on a Post-Test Year basis.

**New Jersey-American Water Company, Inc.**  
**Statement of Operating Revenue**

New Jersey-American Water Company, Inc.

Docket No. WRxxxxxxxx

Witness: Charles Rea

Exhibit No. P-2, Schedule 5

Page 1 of 1

Line No.	Test Year Present Rates @ 6/30/2022	Post-Test Year Adjustments	(Col. (1)+(2)) Post-Test Year Present Rates @ 3/31/2023	Increase	(Col. (3)+(4)) Post-Test Year Proposed Rates @ 3/31/2023	(Col. (4)/(3)) Percent Increase
	(1)	(2)	(3)	(4)	(5)	(6)
1						
2						
3	Total Water Service Revenues:					
4	\$680,555,743	\$37,571,520	\$718,127,263	\$83,126,910	\$801,254,173	12.00%
5	26,758,218	57,303	26,815,521	6,047,763	32,863,284	23.00%
6	30,705,730	118,336	30,824,066	2,314,210	33,138,276	8.00%
7	\$738,019,691	\$37,747,159	\$775,766,850	\$91,488,883	\$867,255,733	12.00%
8						
9	4,394,932	966,692	5,361,623	0	5,361,623	0.00%
10						
11	\$742,414,623	\$38,713,851	\$781,128,473	\$91,488,883	\$872,617,356	12.00%
12						
13						
14	\$24,294,604	\$2,973,008	\$27,267,612	\$3,177,662	\$30,445,274	12.00%
15	8,318	7,309	15,627	0	15,627	0.00%
16						
17	\$24,302,922	\$2,980,317	\$27,283,239	\$3,177,662	\$30,460,901	12.00%
18						
19	Total Company Operating Revenues					
20	\$766,717,544	\$41,694,168	\$808,411,712	\$94,666,545	\$903,078,257	12.00%
21						





**New Jersey-American Water Company, Inc.  
Uncollectible Expense**

New Jersey-American Water Company, Inc.  
Docket No. WRxxxxxxxx  
Witness: Jamie D. Hawn

Exhibit No. P-2, Schedule 7  
Page 1 of 1

Line No.	Post-Test Year ending March 31, 2023 - Present Rates			Post-Test Year ending March 31, 2023 - Proposed Rates			
	Total Water	Total Wastewater	Total Company	Total Water	Total Wastewater	Total Company	
1							
2	Post-Test Year Revenues - Present Rates	\$781,128,473	\$27,283,239	\$808,411,712	\$862,450,072	\$40,628,185	\$903,078,257
3							
4	Average Write-Off Ratio <sup>1</sup>	0.41%	0.41%	0.41%	0.41%	0.41%	
5							
6	Post-Test Year Uncollectible Expense at Present Rates	3,171,541	110,776	3,282,317	3,501,723	164,959	3,666,682
7							
8	Adjustment - Present Rate to Proposed Rates				\$330,182	\$54,183	\$384,365
9							
10							
11							
12							
13							
14							
15							
16	<sup>1</sup> Calculation of the Average Write Off Ratio - based on three -year average						
17	<i>12 months ended</i>	12/31/2017	12/31/2018	12/31/2019	3-Year Average		
18	Uncollectible Expense	\$2,257,373	\$2,328,171	\$1,743,800	\$2,109,782		
19	Reserve Balance Beginning of Year	(5,843,806)	(5,024,888)	(4,106,105)	(4,991,600)		
20	Reserve Balance End of Year	(5,024,888)	(4,106,105)	(3,156,646)	(4,095,880)		
21	Net Write-Offs	\$3,076,292	\$3,246,954	\$2,693,259	\$3,005,502		
22							
23	Revenues	\$737,113,568	\$721,810,447	\$761,778,494	\$740,234,169		
24	Average Write-Off Ratio	0.42%	0.45%	0.35%	0.41%		
25							



















**New Jersey-American Water Company, Inc.**  
**Gross Receipts and Franchise Tax**

**New Jersey-American Water Company, Inc.**  
**Docket No. WRxxxxxxx**  
**Witness: Jamie D. Hawn**

**Exhibit No. P-2, Schedule 11**  
**Page 1 of 1**

Line No.	Post-Test Year ending March 31, 2023 - Present Rates			Adjustments			Post-Test Year ending March 31, 2023 - Proposed Rates		
	Total Water	Total Wastewater	Total Company	Total Water	Total Wastewater	Total Company	Total Water	Total Wastewater	Total Company
1									
2									
3	\$781,128,473	\$27,283,239	\$808,411,712	\$81,321,599	\$13,344,946	\$94,666,545	\$862,450,072	\$40,628,185	\$903,078,257
4	Less:								
5	(9,701,832)	0	(9,701,832)	0	0	0	(9,701,832)	0	(9,701,832)
6	(5,361,623)	(15,627)	(5,377,250)	0	0	0	(5,361,623)	(15,627)	(5,377,250)
7									
8	\$766,065,018	\$27,267,612	\$793,332,630	\$81,321,599	\$13,344,946	\$94,666,545	\$847,386,617	\$40,612,558	\$887,999,175
9									
10	8.4375%	8.4375%	8.4375%	8.4375%	8.4375%	8.4375%	8.4375%	8.4375%	8.4375%
11	\$64,636,736	\$2,300,705	\$66,937,441	\$6,861,510	\$1,125,980	\$7,987,490	\$71,498,246	\$3,426,685	\$74,924,931
12									
13	<i>Franchise Tax Calculation</i>								
14	92.7296%	90.6069%	92.6566%	92.7296%	90.6069%	92.4303%	92.7296%	90.6069%	92.6325%
15	\$710,368,806	\$24,706,325	\$735,075,131	\$75,409,170	\$12,091,435	\$87,500,605	\$785,777,976	\$36,797,760	\$822,575,736
16									
17	5.625%	5.625%	5.625%	5.625%	5.625%	5.625%	5.625%	5.625%	5.625%
18	\$39,958,245	\$1,389,731	\$41,347,976	\$4,241,766	\$680,143	\$4,921,909	\$44,200,011	\$2,069,874	\$46,269,885
19									
20	\$104,594,981	\$3,690,436	\$108,285,417	\$11,103,276	\$1,806,123	\$12,909,399	\$115,698,257	\$5,496,559	\$121,194,816
21									
22	104,538,514	668,566	105,207,080				104,594,981	3,690,436	108,285,417
23									
24	\$56,467	\$3,021,870	\$3,078,337				\$11,103,276	\$1,806,123	\$12,909,399
25									
26	<b>13.6535%</b>	<b>13.5341%</b>	<b>13.6494%</b>				<b>13.6535%</b>	<b>13.5341%</b>	<b>13.6481%</b>

28 <sup>1</sup> Tax Rate reflects a combined rate of 8.4375% (Gross Receipts Tax of 7.5% and Surtax of 0.9375%).

29 <sup>2</sup> Reflects percent of miles of main in public streets, 94.0275% overall for Water and 83.2906% overall for Wastewater.

30 <sup>3</sup> Tax Rate reflects a combined rate of 5.625% (Franchise Tax of 5% and Surtax of 0.625%).





**New Jersey-American Water Company, Inc.**  
**Federal Income Tax Calculation**

**New Jersey-American Water Company, Inc.**  
**Docket No. WRxxxxxxx**  
**Witness: Jamie D. Haw**

**Exhibit No. P-2, Schedule 14**  
**Page 1 of 1**

Line No.	Reference Schedule	Post-Test Year ending March 31, 2023 - Present Rates			Post-Test Year ending March 31, 2023 - Proposed Rates			
		Total Water	Total Wastewater	Total Company	Total Water	Total Wastewater	Total Company	
1								
2	Operating revenue	\$781,128,473	\$27,283,239	\$808,411,712	\$862,450,072	\$40,628,185	\$903,078,257	
3								
4	Less:							
5	Operation and maintenance expense	6	\$220,054,061	\$9,698,825	\$229,752,886	\$220,384,243	\$9,753,008	\$230,137,251
6	Depreciation expense	8	153,664,663	6,737,315	160,401,979	153,664,663	6,737,315	160,401,979
7	Amortization of acquisition adjustments	8	268,188	1,636	269,824	268,188	1,636	269,824
8	Taxes other than income	10	118,066,533	4,356,746	122,423,278	129,388,426	6,198,744	135,587,169
9	Interest charges	14-43	71,289,607	3,489,703	74,779,310	71,289,607	3,489,703	74,779,310
10	Permanent book/tax differences		(135,097)	0	(135,097)	(135,097)	0	(135,097)
11	Excess tax depreciation over book	15-20	113,563,568	5,977,030	119,540,598	113,563,568	5,977,030	119,540,598
12								
13	Total deductions		\$676,771,523	\$30,261,255	\$707,032,778	\$688,423,598	\$32,157,436	\$720,581,034
14								
15	Taxable income		\$104,356,950	(\$2,978,016)	\$101,378,935	\$174,026,474	\$8,470,749	\$182,497,224
16								
17	Tax Rate		21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
18								
19	Federal income tax (current)		\$21,914,960	(\$625,383)	\$21,289,577	\$36,545,560	\$1,778,857	\$38,324,417
20								
21								
22	Deferred federal income tax:							
23	Excess tax depreciation over book	15-20	\$113,563,568	\$5,977,030	\$119,540,598	\$113,563,568	\$5,977,030	\$119,540,598
24	Tax rate		21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
25	Net		23,848,349	1,255,176	25,103,526	23,848,349	1,255,176	25,103,526
26	Reverse South Georgia adjustment	15-20	(138,346)	0	(138,346)	(138,346)	0	(138,346)
27								
28	Deferred F.I.T. (accel.depr.)		\$23,710,003	\$1,255,176	\$24,965,179	\$23,710,003	\$1,255,176	\$24,965,179
29								
30	Deferred federal income tax:							
31	Amortization of excess deferred tax-TCJA	15-21	(\$12,375,429)	\$0	(\$12,375,429)	(\$12,375,429)	\$0	(\$12,375,429)
32	Amortization of ITC	15-18	(319,866)	0	(319,866)	(319,866)	0	(319,866)
33	Amortization of flow through tax-prior	15-20	704,879	0	704,879	704,879	0	704,879
34								
35								
36	Total Federal Income Tax		\$33,634,547	\$629,793	\$34,264,341	\$48,265,147	\$3,034,033	\$51,299,181
37								
38	Notes:							
39	(1) Interest synchronization calculation:							
40	Rate Base	15	\$4,068,259,972	\$199,145,725	\$4,267,405,697	\$4,068,259,972	\$199,145,725	\$4,267,405,697
41	Weighted Cost of Debt	16	1.7523%	1.7523%	1.7523%	1.7523%	1.7523%	1.7523%
42								
43	Interest Charges		\$71,289,607	\$3,489,703	\$74,779,310	\$71,289,607	\$3,489,703	\$74,779,310
44								
45								
46								



**New Jersey-American Water Company, Inc.  
 Weighted Cost of Capital  
 Total Company**

**New Jersey-American Water Company, Inc.  
 Docket No. WRxxxxxxxxx  
 Witness: John S. Tomac**

**Exhibit No. P-2, Schedule 16  
 Page 1 of 1**

**Post-Test Year at December 31, 2022**

Line No.	Type of Capital	Reference Schedule	Balance Outstanding	Ratios	Cost Rate	Weighted Cost Rate	Pre-tax Rate of Return
1							
2	Long-Term Debt	16-2	\$1,932,697,376	45.4400%	3.8564%	1.7523%	1.7523%
3							
4	Preferred Stock		0	0.0000%		0.0000%	0.0000%
5							
6	Common Equity		2,320,693,726	54.5600%	10.5000%	5.7288%	7.2516%
7							
8			<u>\$4,253,391,102</u>	<u>100.0000%</u>		<u>7.4811%</u>	<u>9.0040%</u>
9							
10							



New Jersey-American Water Company, Inc.  
Consolidated Tax Adjustment

New Jersey-American Water Company, Inc.  
Docket No. WRxxxxxxxxx  
Witness: John S. Tomac  
CONFIDENTIAL

Exhibit No. P-2, Schedule 17  
Page 1 of 1

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CONFIDENTIAL Exhibit P-2, Schedule 17 has been filed with the Records Custodian of the BPU and will be provided to Staff and Rate Counsel upon execution of an Agreement of Non-Disclosure

**New Jersey-American Water Company, Inc.  
Schedule of Payments to Affiliated Companies**

**New Jersey-American Water Company, Inc.**

**Docket No. WRxxxxxxxx**

**Witness: Jamie D. Hawn**

**Exhibit No. P-2, Schedule 18**

**Page 1 of 1**

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Line No.	Affiliated Companies	12 Months Ended 6/30/2021
1		
2	American Water Works Company, Inc. ("AWK")	\$0
3		
4	American Water Capital Corporation ("AWCC")	\$46,422,887
5		
6	American Water Works Service Company, Inc. ("AWWSC")	\$69,616,696
7		
8		