



January 31, 2022

VIA ELECTRONIC MAIL

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board.secretary@bpu.nj.gov

Aida Camacho-Welch
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

RE: In the Matter of 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 consistent with its terms, Aqua New Jersey ("ANJ" or the "Company") has tracked such prudently incurred incremental costs and includes the most current quarterly report as **Attachment 1**.¹ ANJ will continue reporting these relevant costs on a quarterly basis.

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, other supply costs and costs related to Customer Bill of Rights mailing. Additionally, the attached quarterly report includes data regarding 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.

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.



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,

Dawn Peslak

Dawn Peslak
Controller, Aqua New Jersey

Enclosures

cc: Service List w/enclosures (email only)

Attachment 1

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	YTD 2021	
Lost Revenues														
Waived Reconnect Fees	see Note 1	6,836	6,886	6,886	6,786	6,586	6,586	6,736	6,836	6,736	6,686	6,836	6,786	81,186
Incremental PPE, Cleaning, Other														
Personal Protective Equipment (PPE)		-	-	202	-	26	-	-	-	-	-	-	130	358
Cleaning		1,400	1,697	1,697	11,806	8,607	-	-	-	-	-	-	-	25,207
Other Supplies		-	-	-	-	-	-	-	-	24,949	20,924	-	-	45,873
Employee labor		5,375	1,084	2,628	2,101	1,707	-	-	-	-	-	-	-	12,896
Bad Debt	see Note 3			134,172			(25,190)			70,584			276,149	455,715
Cost Savings (offsets)														
Travel Expenses	see Note 2	(1,051)	(1,566)	(1,700)	(680)	726	(1,323)	507	(829)	2,786	(1,107)	324	1,031	(2,882)
Seasonal Workers not hired														-
Total Aqua New Jersey		12,560	8,102	143,886	20,013	17,653	(19,927)	7,243	6,008	105,054	26,503	7,160	284,096	618,351
Cumulative 2021 Aqua New Jersey		12,560	20,662	164,548	184,561	202,214	182,287	189,530	195,538	300,592	327,095	334,256	618,351	

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	YTD 2021
Note 1 - Waived Reconnect Fees													
Average Collected Jan-Dec 2018 & 2019	6,886	6,886	6,886	6,886	6,886	6,886	6,886	6,886	6,886	6,886	6,886	6,886	82,636
Actual Collected 2021	50	-	-	100	300	300	150	50	150	200	50	100	1,450
Variance	6,836	6,886	6,886	6,786	6,586	6,586	6,736	6,836	6,736	6,686	6,836	6,786	81,186

Note 2 - Travel Expenses													
Average Expense Jan-Dec 2018 & 2019	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	27,328
Actual Spent 2021	1,226	711	578	1,598	3,004	954	2,784	1,449	5,063	1,170	2,601	3,308	24,446
Variance	1,051	1,566	1,700	680	(726)	1,323	(507)	829	(2,786)	1,107	(324)	(1,031)	2,882

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

	Authorized in Rates	2021 December YTD	2020 Full Year	2019 Full Year	2018 Full Year	2017 Full Year	2016 Full Year	2015 Full Year	2014 Full Year
Water Cust Acct/Recov	136,569	149,975	85,852	113,102	154,619	123,368	118,250	102,967	129,902
Sewer Cust Acct/Recov	17,174	9,947	4,821	16,610	20,687	16,001	16,546	14,519	11,333
Reserve Change		453,111	425,295	14,165	13,993	10,817	14,552	54,493	-
Reserve - See Note 4		1,072,832	619,721	194,426	180,261	166,268	155,451	140,899	86,406
Income Statement Impact		613,033	515,967	143,877	189,299	150,186	149,347	171,979	141,235
Operating Revenue Water	42,956,418	43,928,171	43,676,244	40,547,058	36,996,779	38,497,955	39,074,551	37,677,377	34,837,443
Operating Revenue Sewer	5,427,758	5,581,277	4,971,905	4,706,413	4,651,662	4,589,742	4,314,333	4,168,572	3,715,359

Ratios

Customer Accounts with Recovery/Revenue	2021	2020	2019	2018	2017	2016	2015	2014
Water	0.32%	0.34%	0.20%	0.28%	0.42%	0.32%	0.30%	0.27%
Sewer	0.32%	0.18%	0.10%	0.35%	0.44%	0.35%	0.38%	0.31%
Total	0.32%	0.32%	0.19%	0.29%	0.42%	0.32%	0.31%	0.28%

YTD Revenue * Authorized Rate	157,319	154,582
Excess IS Impact over Authorized	455,715	361,386
		817,100

Note 4 - Development of Bad debt Reserve

	0-30	31-60	61-90	91-120	121-180	181+	Total
Current Qtr Accounts Receivable	3,077,511	719,929	281,073	206,553	229,690	695,781	5,210,538
Standard Anticipated Bad debt %s		3%	8%	15%	40%	100%	
Additional Covid related Bad debt %		0%	0%	35%	60%	0%	
Bad debt Reserve	-	21,598	22,486	103,276	229,690	695,781	1,072,832

History - Distribution of Receivables Aging

	Year	> 90 Days \$\$	> 90 Days %	Year	> 90 Days \$\$	> 90 Days %	Year	> 90 Days \$\$	> 90 Days %
January	2019	123,915	5.5%	2020	172,212	6.1%	2021	738,535	15.5%
February	2019	130,037	5.1%	2020	180,238	6.3%	2021	794,581	18.7%
March	2019	162,992	5.5%	2020	183,644	5.9%	2021	814,130	19.4%
April	2019	89,214	4.1%	2020	204,243	6.7%	2021	856,284	23.2%
May	2019	97,236	4.4%	2020	269,146	8.6%	2021	800,216	20.4%
June	2019	106,463	3.1%	2020	303,187	8.1%	2021	780,533	17.1%
July	2019	108,194	3.4%	2020	325,753	9.0%	2021	775,330	16.9%
August	2019	96,450	3.2%	2020	334,650	9.2%	2021	804,491	19.2%
September	2019	99,340	2.7%	2020	413,648	10.3%	2021	864,456	18.3%
October	2019	102,036	3.4%	2020	484,615	12.3%	2021	929,894	21.6%
November	2019	163,849	4.8%	2020	569,296	15.6%	2021	1,019,880	24.1%
December	2019	125,086	3.6%	2020	666,547	14.6%	2021	1,132,024	21.7%

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

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

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 December 31, 2021 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 December 31, 2021 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: January 31, 2022

By: _____
Lawrence R. Carson