

NOTICE OF PUBLIC HEARING

AQUA NEW JERSEY, INC. NOTICE OF FILING OF A PETITION FOR APPROVAL OF A DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

BPU DOCKET NO. WR22050360

PLEASE TAKE NOTICE that on May 31, 2022 Aqua New Jersey, Inc. (the “Company” or “Aqua”), pursuant to N.J.A.C. 14:9-10.1 *et seq.*, filed a Petition with the New Jersey Board of Public Utilities (the “Board”) seeking approval of a Foundational Filing to implement a Distribution System Improvement Charge (“DSIC”). A DSIC is a mechanism established to accelerate investment in the timely rehabilitation and replacement of certain non-revenue producing critical water distribution system components. Among the infrastructure investments that are eligible to be included in a DSIC are: main replacement and renewal, main cleaning and lining projects, and the renewal of valves, hydrants and service connections. The purpose of DSIC investments is to enhance safety, reliability, water quality, system flows and pressure, and water conservation. A DSIC also includes a rate recovery mechanism that is interim, and subject to refund, until a subsequent base rate case.

The Company’s Petition includes a Foundational Filing that provides an overview of the Company’s water distribution system and proposes a list of projects the Company believes are eligible for recovery through the DSIC surcharge for the period 2022 through 2025. The Company proposes to collect a maximum of \$2,173,362 in DSIC revenues annually, or no more than 5.0% of the Company’s total water revenues established in the Company’s most recently completed base rate case. If approved, the Company will implement the DSIC surcharge if, and when, it achieves specific levels of eligible infrastructure investment and completes and places the facilities into service as required by the DSIC regulations.

The Company has proposed that the monthly DSIC surcharge be assessed to all classes of customers based on the customer’s meter size. The maximum proposed rates shown below are expected to be assessed incrementally over a two to three year period, consistent 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 classes or classes, group or groups of customers, may exclude from any increase any of the foregoing, or may vary the amount or percentage increase applicable to any of the foregoing. The maximum proposed monthly DSIC rates are included in the Petition filed with the Board, as set forth below. Please note that these proposed rates are estimates and may change, however, Aqua's maximum annual DSIC revenues may not exceed \$2,173,362, or no more than 5.0% of the Company’s total water revenues as established in Aqua’s most recent base rate case.

PROPOSED MONTHLY DSIC SURCHARGE RATES BASED ON METER SIZE

<u>Meter Size</u>	<u>Present DSIC Rate</u>	<u>Maximum DSIC Rate</u>
5/8x3/4"	\$0.00	\$2.62
3/4"	\$0.00	\$3.93
1"	\$0.00	\$6.55
1-1/2"	\$0.00	\$13.10
2"	\$0.00	\$20.96
3"	\$0.00	\$39.30
6"	\$0.00	\$131.00
8"	\$0.00	\$209.60

A copy of this Notice of Filing and Public Hearing on the Petition is being served upon the clerk, executive or administrator of each municipality and county within the Company’s service territory. The Petition and this Notice have also been sent to the New Jersey Division of Rate Counsel (“Rate Counsel”), who will represent the interests of all Aqua customers in this proceeding. Copies of Aqua’s Petition and this Public Notice are posted on Aqua's website at <https://www.aquaamerica.com/media/51180/40079130-v1-aqua-nj-2022-dsic-foundational-filing-petition.pdf>.

PLEASE TAKE FURTHER NOTICE that, due to the COVID-19 pandemic, the Board has scheduled virtual public comment hearings on the following date and times as noted below so that members of the public may present their views on the Petition:

Date: October 26, 2022
Times: 4:30 PM and 5:30 P.M.

Members of the public may present their views on the Petition during the public hearing by accessing the link below and following the instructions or dialing the toll-free telephone number listed below, followed by entering the listed passcode when prompted.

To access the Microsoft Teams Meeting by link: https://teams.microsoft.com/l/meetup-join/19%3ameeting_N2RjN2I2NjctNzI3ZC00N2IxLTgzOTctZmU5OTc2NDBiYmNh%40thread.v2/0?context=%7b%22Tid%22%3a%226d3a7112-a9ea-4b4c-81aa-579d6f9bf197%22%2c%22Oid%22%3a%225a67f360-b9d2-4ecf-a290-d41f2e5e602a%22%7d, or you can access the meeting by using the following information in the Microsoft Teams App or Microsoft Teams on the web. On the left side of the screen click the “Teams” icon. Select “Join or create a team”. Click “Join” and enter the Meeting ID and Passcode when prompted.

Meeting ID: 221 933 482 265
Passcode: dx3NGZ

To access by Telephone:

Dial In: 1-267-419-7428

Conference ID: 544 609 473 followed by #

A Hearing Officer will be designated by the Board to preside over the virtual public hearing. Members of the public are invited to participate and express their views on the proposed DSIC program and rate mechanism. Such comments will be made a part of the final record in the proceeding. Whether or not you participate in the virtual public hearing, written comments may be submitted to the Hon. Carmen Diaz, Board of Public Utilities, 44 South Clinton Avenue, Suite 314, Trenton, New Jersey 08625. Please include BPU Docket No. WR22050360 in your comment letter.

Dated: October 3, 2022

Aqua New Jersey, Inc.