

BEFORE THE  
STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES  
OFFICE OF ADMINISTRATIVE LAW

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 DEPREICATION RATES, AND  
OTHER TARIFF MODIFICATIONS

BPU Docket No. WR24010056

OAL Docket No. 02409-2024 S

**Supplemental Direct Testimony of**

**JAMIE D. HAWN**

**in Support of 9&3 Update**

April 23, 2024

**Exhibit P-6S**

NEW JERSEY-AMERICAN WATER COMPANY, INC.

1 **1. Q. Please state your name and business address.**

2 A. My name is Jamie D. Hawn, and my business address is 1 Water Street, Camden, New  
3 Jersey 08102.

4 **2. Q. By whom are you employed and in what capacity?**

5 A. I am employed by American Water Works Service Company, Inc. (“Service  
6 Company”) as Director of Rates and Regulatory for New Jersey-American Water  
7 Company, Inc. (“NJAWC,” “New Jersey-American Water” or the “Company”).

8 **3. Q. Are you the same Jamie D. Hawn who filed Direct Testimony on January 19, 2024,**  
9 **in this proceeding, marked as Exhibit P-6?**

10 A. Yes, I am.

11 **4. Q. Why is the Company filing supplemental testimony?**

12 A. The supplemental testimony will describe certain material updates to the Company's  
13 rate case since it was filed on January 19, 2024. This includes updating the Test Year  
14 ending June 30, 2024, in the original filing, which included 5 months actual and 7  
15 months projected information, to a test year that is now includes 9 months actual and 3  
16 months projected information (“9&3 Update”). Also, since the filing date, the  
17 Company has responded to hundreds of Discovery Requests. In the process of  
18 responding to the Discovery Requests and in preparing updates to schedules, whereby  
19 we replaced numbers with more up-to-date numbers, the Company also has identified  
20 various changes and corrections to its original proposed revenue requirement, which  
21 have been made to the 9&3 Update. The Company is providing updates to its exhibits

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1 to provide the most accurate and up-to-date information possible. Additionally, for  
2 those exhibits that have been updated because of more current and accurate  
3 information, revised Schedules, Workpapers, and SIRs will be available to the parties  
4 through the iManage data room by the end of the week.

5 **5. Q. How is your Supplemental Direct Testimony organized?**

6 A. My Supplemental Direct Testimony summarizes the changes included in this 9&3  
7 Update to the Company's filing of January 19, 2024, on the attached Schedule JDH-2,  
8 which is further supported by an updated Exhibit P-2. Schedule JDH-2 is intended to  
9 summarize the changes made by the Company in the 9&3 Update. Specifically,  
10 Schedule JDH-2 indicates the topic, exhibit and schedule from the Company's January  
11 19, 2024, filing; the initial amount filed for; the updated amount; the difference between  
12 the initial amount and the update; the related interrogatory where the proposed  
13 adjustment was referenced, if applicable; and general comments related to the change.  
14 As a result of the updates shown on Schedule JDH-2, Schedule JDH-1, also attached,  
15 updates Schedule RR from the original filing, showing both the original revenue  
16 requirement and the revised amount.

17 Additionally, my Supplemental Direct Testimony supports changes to the Exhibits and  
18 Schedules that were prepared by me or under my supervision and direction. This  
19 Supplemental Direct Testimony also addresses tariff changes, changes to Plant in  
20 Service values, primarily supported by the Supplemental Direct Testimony of  
21 Company Witness Shields, Exhibit P-5S, changes in operating expenses, supported by  
22 the Supplemental Direct Testimony of Company Witness McKeever, Exhibit P-7S, and

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1 updates to operating revenues supported by the Supplemental Direct Testimony of  
2 Company Witness Brooks, Exhibit P-8S. As mentioned, Schedule JDH-2 provides a  
3 summary of all changes that have been reflected in the Company's 9&3 Update.

4 **Revised Revenue Requirements**

5 **6. Q. Please describe the update to revenue requirements as shown on Schedule JDH-**

6 **1.**

7 A. As a result of updates to rate base, rate of return, revenues, operating  
8 expenses and taxes, both income taxes and taxes other than income taxes that change  
9 because of the above-mentioned updates, the total revenue requirement proposed in this  
10 application increases from \$161,719,726 to \$164,639,243, an increase of \$2,919,517.

11 This calculation is depicted on Schedule JDH-2.

12 **Capital Structure /Overall Rate of Return**

13 **7. Q. Please summarize changes to the Capital Structure / Overall Rate of Return since**  
14 **the Company's original filing.**

15 A. Since the initial filing on January 19, 2024, the Company has decreased the interest rate  
16 on two of its projected long-term debt issuances 1) \$125,000,000 at 5.90%, and 2)  
17 \$125,000,000 at 6.20% anticipated in May of 2024. The interest rates on the new debt  
18 issuances are projected at 5.15% and 5.45%, respectively. The change in the interest  
19 rates has decreased the effective cost of long-term debt from 4.23% to 4.16%.  
20 Additionally, iBank has postponed the debt financing of \$48,125,147 anticipated in  
21 November 2024 to after the end of the post-test year, therefore the Company has  
22 removed these debt issuances from its post-test year cost of debt amount. The

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1 calculation of the overall rate of return set forth on Exhibit P-2, Schedule 16, results in  
2 a slight increase from 7.89% to 7.90%. Please refer to Exhibit P-2, Schedule 16 and  
3 updated Workpaper Schedule 16-2 for the calculation of the revised effective cost of  
4 long-term debt.

5 **Revenues**

6 **8. Q. Please summarize the changes to Exhibit P-2, Schedule 5, Operating Revenues.**

7 A. The Company has increased post-test year present rate revenues in this 9&3 Update.  
8 The details are provided on Exhibit P-2, Schedule 5, and Schedule JDH-2. Please refer  
9 to the Supplemental Direct Testimony of Mr. Brooks, Exhibit P-8S, for the details of  
10 the post-test year present rate revenues.

11 **Operating and Maintenance Expenses**

12 **9. Q. Please summarize the changes to Exhibit P-2, Schedule 6, Operating and**  
13 **Maintenance Expenses**

14 A. The Company has increased the post-test year operating and maintenance expenses as  
15 reflected in the details provided on Exhibit P-2, Schedule 6. Of that amount, much of  
16 the increase is driven by power costs, support services and acquisition expenses. Please  
17 refer to the Supplemental Direct Testimony of Mr. McKeever, Exhibit P-7S, for the  
18 details in the change of post-test year operating and maintenance expenses.

19 **Rate Base Adjustments**

20 **10. Q. Has the Company made any adjustments to the rate base since the initial filing?**

21 A. Yes. As a result of updating projected amounts through March 31, 2024, to actual  
22 balances, as well as revising projected capital expenditures for the period April 1, 2024,

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1 through December 31, 2024, rate base has increased as shown on Schedule JDH-2.  
2 These changes are reflected on Exhibit P-2, Schedule 15, and the corresponding  
3 Workpapers that support Exhibit P-2, Schedule 15.

4 **11. Q. Please summarize the changes to Exhibit P-2, Schedule 15, Post-Test Year Rate**  
5 **Base on December 31, 2024.**

6 A. The Company has updated the rate base schedules to reflect actuals as of March 31,  
7 2024, with projected changes to the end of the test year, June 30, 2024, and then  
8 projecting additional changes to the end of the post-test year period, December 31,  
9 2024.

10 **12. Q. Please summarize the changes to Exhibit P-2, Schedule 15, Utility Plant in Service**  
11 **(“UPIS”).**

12 A. The Company has updated its projected UPIS, including retirements, to reflect the  
13 actual balances on the general ledger on March 31, 2024. The Company then added the  
14 projected capital additions and retirements through December 31, 2024. The increase  
15 in projected capital additions is described in the Supplemental Direct Testimony of Mr.  
16 Shields, Exhibit P-5S. Please refer to updated Workpaper Schedule 15-3 for those  
17 revisions.

18 **13. Q. Please summarize the changes to Exhibit P-2, Schedule 15, Accumulated**  
19 **Depreciation and Amortization.**

20 A. The Company has updated its projected accumulated depreciation and amortization to  
21 reflect the actual balances on the general ledger on March 31, 2024. The Company

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1 then added the adjusted projected additions and retirements through December 31,  
2 2024. Please refer to updated Workpaper Schedule 15-4 for those revisions.

3 **14. Q. Please summarize the changes to Exhibit P-2, Schedule 15, Prepayments and**  
4 **Materials & Supplies.**

5 A. The 13-month average balances were updated to reflect actual balances through March  
6 31, 2024, for both material and supplies and prepayments. Please refer to the updated  
7 Workpapers Schedules 15-10 and 15-11, respectively.

8 **15. Q. Please summarize the changes to Exhibit P-2, Schedule 15, Contributions in Aid**  
9 **of Construction (“CIAC”) and Customer Advances.**

10 A. The projected balances for CIAC and customer advances were updated to reflect the  
11 actual balances at March 31, 2024. Projected balances for the period April 1, 2024,  
12 through December 31, 2024, were also adjusted to reflect the revisions to the capital  
13 plan. Please refer to the updated Workpaper Schedule 15-15.

14 **16. Q. Please summarize the changes to Exhibit P-2, Schedule 15, Deferred FIT**  
15 **Accelerated Depreciation.**

16 A. The projected balance for deferred federal income tax (“FIT”) was updated to reflect  
17 the actual balances on March 31, 2024. Projected balances for the period April 1, 2024,  
18 through December 31, 2024, were also adjusted to reflect the revisions to the capital  
19 plan. Please refer to the updated Workpaper Schedule 15-20.

20 **17. Q. Please summarize the changes to Exhibit P-2, Schedule 15, Excess ADIT – TCJA**  
21 **Liability.**

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1 A. The Company has updated the columns labeled Projected 2023 and 2024 Excess, on  
2 Workpaper Schedule 15-21, to reflect projected changes in retirements and book  
3 depreciation expense for 2023 and 2024. These changes will flow through Workpaper  
4 Schedule 15-21, updating the true-up amounts as well as the calculation of the post-test  
5 year excess deferred income tax (“EDIT”) amortization amount. Again, the true-up  
6 results in over-credits (passed back) to the customer; as noted in my Direct Testimony,  
7 the Company is not making an adjustment to the revenue requirement for the true-up.  
8 Please refer to the updated Workpaper Schedule 15-21 for details.

9 **Depreciation Expense**

10 **18. Q. Is the Company proposing to make a change to the depreciation expense requested**  
11 **in this proceeding?**

12 A. Yes. The Company has updated its depreciation expense to reflect the actual March 31,  
13 2024, UPIS balances, including retirements, plus the revised projected additions and  
14 retirements through December 31, 2024, as provided in the Supplemental Direct  
15 Testimony of Mr. Shields, Exhibit P-5S. The Company has utilized the proposed  
16 depreciation rates in the original filing. Please refer to the updated Exhibit P-2,  
17 Schedules 8 and 9.

18 **Amortization Expense**

19 **19. Q. Please summarize the changes to Exhibit P-2, Schedule 8.**

20 A. The Company has updated the deferral balance, on workpaper Schedule 8-5 for Pension  
21 and OPEB, to reflect the flow through of the projected 2024 Pension and OPEB  
22 expense. The Company has updated the deferral balance, on workpaper Schedule 8-7



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1 for Benchmarking Requirement<sup>1</sup>, to capture the costs incurred through March 31, 2024.  
2 The Company maintains the original filing amount for the amortization of the  
3 transaction costs associated WIPA acquisition.

4 **Acquisitions**

5 **20. Q. Are there any updates to the proposed acquisitions since the original filing?**

6 A. Yes, specifically pertaining to the acquisition of the Borough of Manville’s wastewater  
7 system<sup>2</sup>. At the time the agreement of sale was prepared, the revenue projections for  
8 Manville wastewater service territory assumed that rates upon adoption would include  
9 a collection rate for the NJAWC collection system and a separate Purchased  
10 Wastewater Treatment Adjustment Clause (“PSTAC”) for the treatment costs provided  
11 by Somerset Raritan Valley Sewer Authority. Additionally, the Company proposed  
12 that the Manville wastewater volumetric recovery would be subject to a winter pocket.  
13 Subsequently, the Borough indicated that they preferred a more simplified billing  
14 practice, and the Company agreed to adopt the current wastewater rates as defined in  
15 the Borough’s Municipal Code upon closing and to bill wastewater services based on  
16 water use. The Company is now proposing to eliminate PSTAC Rate Schedule 23-B  
17 for Manville, and has incorporated the associated revenues and wastewater treatment  
18 costs in its proposed revenue requirement as reflected in Rate Schedule 23-A. The

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<sup>1</sup> On March 20, 2024, the Board authorized NJAWC to defer certain expenses that have been incurred and are expected to be incurred in the future in connection with implementing the Benchmarking Requirement in BPU Docket No. WF23060346. The Company inadvertently cited the COVID-19 proceeding (BPU Docket No. WR23050275) as the Benchmarking Requirement in my Direct Testimony. The correct reference pertaining to the Benchmarking Requirement is BPU Docket No. WF23060346.

<sup>2</sup> The Company filed a Municipal Consent Petition (BPU Docket No. WE24030202) on March 27, 2024, for approval of a municipal consent ordinance.

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1 applicable revenues are included in the Supplemental Direct Testimony of Mr. Brooks,  
2 Exhibit P-8S, and the associated wastewater treatment costs are supported by the  
3 Supplemental Direct Testimony of Mr. McKeever, Exhibit P-7S.

4 **Uncollectible Adjustment Clause**

5 **21. Q. Is the Company seeking a mechanism to address future uncollectible (or bad debt)**  
6 **expense in this proceeding?**

7 A. Yes. The Company is requesting the transfer of the Uncollectible Adjustment Clause  
8 (“UAC”) proposed in BPU Docket No. WR23050275, the COVID-19 proceeding, to  
9 this base rate proceeding to account for future fluctuations in uncollectible expense.  
10 The Company proposes to defer the difference between the amount of uncollectible  
11 expense authorized in this base rate proceeding and the actual uncollectible expense  
12 incurred after the effective date of new base rates. The Company would defer such  
13 difference for a full calendar period and any difference would be reconciled annually  
14 through a subsequent UAC filing.

15 **22. Q. Why is the Company seeking a mechanism to address future uncollectibles (or**  
16 **bad debt) expense in this proceeding?**

17 A. The Company is seeking the UAC to address fluctuations in bad debt expense on a  
18 going forward basis to protect our customers and the Company alike. In 2022, due to  
19 a change in the New Jersey Administrative Code, the Company was subject to the same  
20 restrictions of the Winter Termination Program (“WTP”) that the gas and electric  
21 companies have been subject to, without the benefit of being able to recover the  
22 associated uncollectible expense through the Societal Benefits Clause (“SBC”)

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1 authorized by N.J.S.A. 48:3-60 as the electric companies do. Additionally, the  
2 Company suspended terminations in 2022 for a period to implement the regulation that  
3 now requires a customer door knock before a shutoff can be made for non-payment.  
4 The Company believes these activities, coupled with the lingering effects of the  
5 application of Low-Income Household Water Assistance Program (“LIHWAP”) funds,  
6 will continue to cause uncertainty in its level of uncollectible expense for the  
7 foreseeable future.<sup>3</sup> Because of this uncertainty, the Company proposes the UAC to  
8 protect both customers and the Company from unknown but expected fluctuations in  
9 this expense going forward. The UAC will reconcile actual incurred uncollectible  
10 expense to the base level established in the Company’s most recent general rate case,  
11 with any variance credited to (or recovered from) customers over a subsequent period.

12 **23. Q. How does the application of LIHWAP funds cause uncertainty for uncollectible**  
13 **expense in the near term?**

14 A. The manner in which the LIHWAP funds have been distributed to customers, as  
15 directed by the Department of Community Affairs (“DCA”), complicates the ultimate  
16 impact on the Company’s uncollectible expense. The Company has been instructed to  
17 apply the funds to customers both with and without overdue balances. Therefore, some  
18 customers who received additional LIHWAP funds above their arrearage balance have  
19 a credit balance on their account. According to DCA, this credit is to remain on the

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<sup>3</sup> Federal legislation to continue the LIHWAP program has been introduced recently in both houses of Congress. The Low-Income Household Water Assistance Program Establishment Act, S.3830, 118<sup>th</sup> Cong. (2024), was introduced in the Senate on February 20, 2024, and in the House (as H.8032) on April 16, 2024. If this program is continued, further uncertainty will be introduced into the Company’s level of uncollectible accounts expense as these funds could reduce the level of outstanding customer arrearages. Without a UAC, customers other than direct recipients of LIHWAP funds would not benefit from this new legislation.

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1 customer's account until future water and wastewater bills absorb that credit balance.  
2 In the near term, as these credit balances exist, uncollectible expense should be reduced  
3 as outstanding arrearages will be lower and ultimately these customers will not be  
4 subject to any write-offs. Without a UAC, customers other than the direct recipients  
5 will not benefit from the Company's receipt of these funds.

6 **24. Q. Please provide an example of how the UAC will operate, starting with the initial**  
7 **filing.**

8 A. The UAC will be a historical mechanism, deferring much like the SBC, with any  
9 deviation from the authorized base level for the prior twelve-month calendar period  
10 included in the mechanism to be credited (or collected) over the subsequent nine-month  
11 period. The amount to be credited (or collected) would be credited or charged using a  
12 volumetric based charge for the Company's General Metered Service ("GMS")  
13 customers, and a fixed charge for the remainder of the Company's customers. The  
14 initial filing of the UAC will represent less than a full year with the start of the UAC  
15 period effective at the time of new base rates. As such, the initial UAC filing would be  
16 made with the BPU on January 15, 2025. The filing would reconcile actual  
17 uncollectible expense for the period of November 1, 2024<sup>4</sup>, through December 31,  
18 2024, against the level included in base rates as set forth in this general rate proceeding.  
19 Due to a period of less than one year of new base rates, the authorized level of  
20 uncollectible expense will be prorated by month.

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<sup>4</sup> Estimated end of suspension period date used for example purposes.

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1 Once filed with the Board and after its 60-day review, the UAC would be implemented  
2 no later than April 1, 2025, collecting the difference, or passing a credit, between the  
3 actual and authorized expense for November 1, 2024, through December 31, 2024, over  
4 a nine-month period (April 1, 2025, through December 31, 2025).

5 On January 15, 2026, the Company would make its second UAC filing, with rates  
6 effective no later than April 1, 2026. This filing will include: 1) the difference between  
7 the actual uncollectible expense activity for calendar year 2025 against the level  
8 authorized, and 2) a true up of the actual amount collected from customers versus the  
9 amount authorized in the first UAC filing, for the period November 1, 2024, through  
10 December 31, 2024.

11 **25. Q. Has a similar mechanism been authorized for any other New Jersey utilities?**

12 A. Yes, as stated above, the Board has approved the inclusion of the electric utilities'  
13 uncollectible costs as a component of the SBC authorized by N.J.S.A. 48:3-60.

14 **26. Q. Have any of New Jersey-American Water's affiliates implemented a similar  
15 mechanism?**

16 A. Yes. Illinois-American Water Company implemented a Bad Debt Expense ("BDE")  
17 Rider, effective April 1, 2021.

18 **Tariff Changes**

19 **27. Q. Have you made any updates to Exhibit P-1, the Company's proposed tariff since  
20 the filing on January 19, 2024?**

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1 A. Yes. Attached to my Supplemental Direct Testimony as Schedule JDH-3 are tariff  
2 changes made to Exhibit P-1 since our initial filing.

3 **28. Q. Please explain.**

4 A. A correction has been made to Rate Schedule A-19 which reflects the general metered  
5 service rates for Service Area 1H, Salem. The Company has updated this Rate Schedule  
6 to reflect the correct level of gallons per month (“GPM”) to up to and over 167,000;  
7 the Company inadvertently included the semi-annual volume usage level of up to and  
8 over 1,000,000 GPM from the Salem Ordinance. This has been corrected as shown on  
9 Schedule JDH-3, p. 1.

10 **29. Q. Are there any other modifications to Exhibit P-1?**

11 A. Yes. The Company is updating Rate Schedule 23-A for wastewater customers in the  
12 Borough of Manville. In NJAWC’s original filing, the Company proposed a Manville  
13 wastewater general metered service, Rate Schedule 23-A, Original Sheet No. 70, and a  
14 Manville Purchased Wastewater Treatment Adjustment Clause (“PSTAC”) Rate  
15 Schedule 23-B, Original Sheet No. 71. As discussed above, due to the Borough’s  
16 request for a more simplified billing structure, the Company has updated Manville Rate  
17 Schedule 23-A, Original Sheet No. 70, to reflect the current wastewater rates in the  
18 Borough’s Municipal Code and removed the proposed PSTAC Rate Schedule for these  
19 customers as shown on Schedule JDH-3, pages 2 and 3.

20 **30. Q. Does this conclude your Supplemental Direct Testimony?**

21 A. Yes, it does.

Revenue Requirement Summary

	Filed Post-Test Year Amount	9 & 3 Updated Post- Test Year Amount	Difference
Proposed Rate Base	\$5,066,727,126	\$5,098,291,112	\$31,563,986
Rate of Return Required	7.8988%	7.9020%	0.0032%
Utility Operating Income Under Proposed Rates	400,210,642	402,866,964	2,656,322
Utility Operating Income at Pro Forma Present Rates	290,695,241	291,366,194	670,952
Utility Operating Income Deficiency	109,515,401	111,500,770	1,985,370
Gross Revenue Conversion Factor	1.47668	1.47657	(0.00011)
Revenue Increase Requested	\$161,719,726	\$164,639,243	\$2,919,517

Topic	Exhibit and Schedule	Filed Post-Test Year Amount	9 & 3 Updated Post-Test Year Amount	Difference	Interrogatory Reference	Comments
Water Revenue - Metered Service	P-2, Sch 5	\$821,280,437	\$821,519,841	\$239,404		Updated DSIC revenue to latest surcharge amount. SFR Contract change.
Water Revenue - Private Fire Service	P-2, Sch 5	32,917,944	32,917,944	0		
Water Revenue - Public Fire Service	P-2, Sch 5	33,636,673	33,636,673	0		
Water Revenue - Other	P-2, Sch 5	4,523,903	4,523,903	0		
Sewer Revenue	P-2, Sch 5	40,705,610	41,835,613	1,130,003		Added Manville PSTAC revenue to case.
Sewer Revenue - Other	P-2, Sch 5	10,863	10,863	0		
		<b>\$933,075,430</b>	<b>\$934,444,837</b>	<b>\$1,369,407</b>		
Purchased Water	P-2, Sch 6-2	760,601	760,601	0		
Power	P-2, Sch 6-3	22,419,807	27,055,180	4,635,374		Updated for Rate Cases - JCPL from estimated to final, Added Etown filing March 2024, Added PSE&G filing Dec 2023. Updated Constellation forecasted pricing. Updated forecasted system delivery.
Chemicals	P-2, Sch 6-4	24,784,099	24,732,889	(51,210)		Updated chemical pricing forecast and updated forecasted system delivery.
Waste Disposal	P-2, Sch 6-5	8,938,989	9,013,583	74,594		Updated forecasted system delivery.
Salaries and Wages	P-2, Sch 6-6	57,970,616	57,912,864	(57,752)	RCR-A-020, 021, 023, 197	Updated forecast based upon positions at 3/31/24.
Pensions	P-2, Sch 6-7	1,816,722	1,926,404	109,682	RCR-A-035, 037, 086	Updated Pension to most recent forecast received from actuary.
Group Insurance	P-2, Sch 6-8	3,654,481	3,376,883	(277,598)	RCR-A-020, 021, 086, 197	Updated OPEB to most recent forecast received from actuary. Group Insurance adjusted from flow through to Salaries & Wages.
Other Benefits	P-2, Sch 6-9	4,792,897	4,861,172	68,275		Flow through of adjustments to Salaries & Wages.
Support Services	P-2, Sch 6-10	53,108,669	54,986,677	1,878,008	RCR-A-025, RCR-A-198	Updated for actual merit increase. Updated Pension & OPEB to most recent forecast from actuary. Removed \$31,736 of SERP expense.
Rents	P-2, Sch 6-11	526,503	526,503	0		
Transportation	P-2, Sch 6-12	3,707,974	3,799,682	91,708		Updated fuel price.
Uncollectible Accounts Expense	P-2, Sch 7	3,851,643	3,857,296	5,653		Flow-through of adjustments to Present Rate Revenues.
Customer Accounting	P-2, Sch 6-14	7,994,485	7,994,485	0		
Regulatory Expense	P-2, Sch 6-15	418,950	418,950	0		
Insurance Other Than Group	P-2, Sch 6-16	10,728,733	10,246,491	(482,242)		Updated to new premium amounts for: Property, General Liability, Excess Liability, Auto Liability, Workers' Comp, Cyber Liability, and Environmental Impairment.
Engineered Coating of Steel Structures	P-2, Sch 6-17	9,253,000	9,253,000	0		
Property Sales	P-2, Sch 6-18	(9,750)	(9,750)	0		
Other Operating Expenses	P-2, Sch 6-19	44,993,529	44,819,160	(174,369)	RCR-A-194	Removed \$33,730 for water testing related to chemical spill on Delaware River. Removed \$140,639 for rate case related legal expenses, which is included in regulatory expense.
Acquisition Expenses	P-2, Sch 6-20	3,271,859	4,767,821	1,495,962		Added waste disposal expense related to Manville wastewater system.
<b>Total change in O&amp;M Present Rates</b>		<b>\$262,983,806</b>	<b>\$270,299,891</b>	<b>\$7,316,085</b>		
Uncollectible Accounts Expense-Proforma Adj	P-2, Sch 7	667,563	679,614	12,051		Flow-through of proposed revenue requirement changes.
<b>Total change in O&amp;M Pro Forma Rates</b>		<b>\$263,651,369</b>	<b>\$270,979,505</b>	<b>\$7,328,136</b>		



SUMMARY of UPDATES

Topic	Exhibit and Schedule	Filed Post-Test Year Amount	9 & 3 Updated Post-Test Year Amount	Difference	Interrogatory Reference	Comments
						Schedule JDH-2 Page 2 of 2
Depreciation & Amortization	P-2, Sch 8	201,929,746	194,738,619	(7,191,128)		Updated amort of Pension / OPEB deferral with actual balance as of 3/31/24. Energy Efficiency Program Costs updated balance with actuals as of 3/31/24. Flow-through of adjustments to UPIS.
Property Taxes	P-2, Sch 10-3	6,721,410	6,721,410	0		
Payroll Taxes	P-2, Sch 10-4	4,555,005	4,544,438	(10,567)		Flow-through of adjustments to Salaries and Wages.
Gross Receipts and Franchise Tax (Proposed Rates)	P-2, Sch 11	146,966,612	147,544,538	577,926		Flow-through of proposed revenue requirement changes.
Utility Assessment (Proposed Rates)	P-2, Sch 12	2,882,366	2,842,063	(40,303)		Updated Rate Counsel assessment rate; Flow-through of proposed revenue requirement changes.
Water Monitoring Tax	P-2, Sch 13	660,720	660,720	0		
Other Taxes	P-2, Sch 10	143,840	143,840	0		
FIT (Proposed Rates)	P-2, Sch 14	67,073,447	68,041,981	968,535		Updated Excess ADIT-TJCA amortization. Flow-through of proposed revenue requirement changes.
<b>Total change in Depr, Amort &amp; Taxes</b>		<b>430,933,146</b>	<b>425,237,609</b>	<b>(5,695,537)</b>		
Rate Base	P-2, Sch 15	5,066,727,126	5,098,291,112	31,563,986		Updated for Actuals at 03/31/2024. Refer to Mr. Shield's testimony regarding reforecasting of capital additions and the Testimony of Ms. Hawn for the change in UPIS.
Capital Structure	P-2, Sch 16	7.8988%	7.9020%	0.0032%		Updated interest rate projection on L-T debt issuance.
Requested Increase	P-2, Sch 4	\$161,719,726	\$164,639,243	\$2,919,517		

NEW JERSEY-AMERICAN WATER COMPANY, INC.  
B.P.U. No. 8 – Water

Original Sheet: No. 34.9

**RATE SCHEDULE A-19**  
**GENERAL METERED AND FLAT SERVICE**

**APPLICABILITY**

Applicable for general metered residential and light commercial service throughout Service Area 1H, Salem, except as specifically provided elsewhere in this tariff. Those who receive metered water service will receive volume-based water service billings; all others will receive flat rate billings for unmetered service. The Company may require a water meter to be installed by any customer utilizing a well or other private water system at the property owner's expense. The charge for general metered service shall consist of the total of the Fixed Service Charge and the Water Charge.

**FIXED SERVICE CHARGE**

All general metered water service customers shall pay a fixed service charge based on the size of each meter installed by the Company. Customers with multiple meters shall be charged for each meter at the indicated rate. Whenever service is established or is discontinued, all applicable fixed charges shall be prorated to the date of establishment or discontinuance of service.

Size of Meter	Usage Allowance	Non-Exempt Per Month
5/8"	2,500	\$30.87
3/4"	5,000	61.41
1"	9,000	110.15
1 1/4"	20,000	244.99
1 1/2"	20,000	244.99
2"	35,000	429.22

**WATER CHARGE**

In addition to the Fixed Service Charge set forth above, a charge will be made for all water used as registered by the meter above the usage allowance included in the Fixed Service Charge.

Gallons Per Month	Rate* Per 100 Gallons	Rate* Per 1,000 Gallons
Up to 167,000	\$0.84600	\$8.4600
Over 167,000	\$1.01300	\$10.1300

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**FLAT RATE WATER CHARGE**

All unmetered water service customers in a Single Family unit as defined by the Salem City municipal code shall pay a Flat Rate Water Charge per unit as indicated below.

	RATE PER MONTH PER UNIT
Non-Exempt	\$35.42

**TERMS OF PAYMENT**

Valid bills for general metered water service furnished under this schedule will be rendered monthly in arrears and are due twenty (20) days from the date of the postmark on the envelope in which the bill was transmitted. All bills shall list a due date. Thereafter, the Company may not discontinue water service unless written notice is provided giving the customer at least ten (10) days' notice prior to the proposed discontinuance. The 10 days shall begin on the postmark date of the notice. N.J.A.C. 14:3-3A.3.

Issued: \_\_\_\_\_

Effective: \_\_\_\_\_

By: Mark K. McDonough, President  
1 Water Street, Camden, NJ 08102

Filed pursuant to Order of the Board of Public Utilities entered in  
Docket No. WR2401 dated \_\_\_\_\_.

NEW JERSEY-AMERICAN WATER COMPANY, INC.  
B.P.U. No. 8 – Wastewater

Fifteenth Revised Sheet: No. 45  
Superseding Fourteenth Revised Sheet: No. 45

WASTEWATER SERVICE RATE SCHEDULES  
TABLE OF CONTENTS

Rate schedules are applicable for service provided in the entire area served as follows:

<u>Location/Type</u>	<u>Class of Service</u>	<u>Rate Schedule</u>	<u>Sheet No.</u>
Ocean City	General Metered Service	1-A	46
Ocean City	Purchased Wastewater Treatment Adjustment (PSTAC)	1-B	47
Statewide Collection	General Metered Service	2-A	48
Lakewood Township	Purchased Wastewater Treatment Adjustment (PSTAC)	2-B	49
Howell Township	Purchased Wastewater Treatment Adjustment (PSTAC)	3-B	51
Statewide Collection and Treatment	General Flat Rate Service	5-A	52
Statewide Collection and Treatment	General Metered Service	6-A	53
Other Contracts (C) former EDC service area, and (D) former Applied service area	Contracts	8-A	54
Entire Service Territory	Miscellaneous Service Charges	9-A	55
Entire Service Territory	Wastewater System Improvement Charge	9-A.1	55.1
Entire Service Territory	Universal Affordability – Wastewater	9-A.2	55.2
Plumsted Township (Jensen's Deep Run)	General Metered Service	10-A	56
Haddonfield Borough	General Metered Service	11-A	57
Elk Township	Purchased Wastewater Treatment Adjustment (PSTAC)	12-B	58
Borough of Mount Ephraim	General Metered Service	13-A	59
Long Hill Township	General Flat Rate Service	14-A	60
Long Hill Township	General Metered Service	15-A	61
Egg Harbor City Utility	General Metered and Flat Rate Service	16-A	62
Egg Harbor City Utility	Purchased Wastewater Treatment Adjustment (PSTAC)	16-B	63
Bound Brook Borough	General Flat Rate Service	18-A	64
Bound Brook Borough	General Metered Service	19-A	65
Somerville System	General Metered and Flat Rate Service	20-A	66
Somerville System	Purchased Wastewater Treatment Adjustment (PSTAC)	20-B	67
Former EDC System	General Metered Service	21-A	68
Salem City and Mannington	General Metered Service	22-A	69
Manville	General Metered Service	23-A	70

- Deleted: Manville
- Deleted: Purchased Wastewater Treatment Adjustment (PSTAC) 23-B
- Deleted: 23-B
- Deleted: 71

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NEW JERSEY-AMERICAN WATER COMPANY, INC.  
B.P.U. No. 8 – Wastewater

Original Sheet: No. 70

**RATE SCHEDULE 23-A  
GENERAL METERED SERVICE<sup>6</sup>**

**APPLICABILITY**

Applicable for general residential, commercial, industrial and municipal wastewater service provided in the Borough of Manville. The charge for wastewater service shall consist of the total of the Fixed Service Charge ~~and~~ the Wastewater Usage Charge.

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**CHARACTER OF SERVICE**

Continuous, except as limited by the "Standard Terms and Conditions."

**FIXED SERVICE CHARGE**

All wastewater service customers shall pay a Fixed Service Charge in addition to the Wastewater Usage Charge, if any, as follows:

Fixed Service Charge per customer per month.	<u>Non-Exempt</u> <del>\$18.33</del>
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**WASTEWATER USAGE CHARGE**

The volume of wastewater discharged is assumed to equal water meter registration. See Standard Terms and Conditions – Wastewater, Sheet No. 23, for an explanation of how Monthly Wastewater Usage Charges are calculated.

	<u>Gallons Per Month</u>	<u>Rate Per 100 Gallons</u>	<u>Rate Per 1,000 Gallons</u>
Non-Exempt	All	<del>\$0.40300</del>	<del>\$4.0300</del>

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**TERMS OF PAYMENT**

Valid bills for wastewater service furnished under this schedule will be rendered monthly in arrears and are due twenty (20) days from the date of the postmark on the envelope in which the bill was transmitted or electronic transmission date for customers on electronic billing. All bills shall list a due date.

Whenever service is established or is discontinued, all applicable fixed charges shall be prorated to the date of establishment or discontinuance of service.

<sup>6</sup> The rates on this schedule will increase by 2% in 2025, 3% in 2026, 2027 and 2028, and 4% in 2029 and 2030 by the terms of the Agreement of Sale between the Borough of Manville and New Jersey-American Water Company, Inc.

Issued: \_\_\_\_\_

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By: Mark K. McDonough, President  
1 Water Street, Camden, NJ 08102

Filed pursuant to Order of the Board of Public Utilities entered in  
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