



May 17, 2024

Via Electronic Mail

Hon. Sherri Golden, Secretary
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350

Re: I/M/O the Petition of New Jersey-American Water Company, Inc. Approval of Proposed Cost Recovery of Lead Service Replacement Plan Fourth Surcharge Filing BPU Docket No. WR22010017

Dear Secretary Golden:

Enclosed for filing on behalf of New Jersey-American Water Company, Inc. (the “Company” or “NJAWC”) in the above-referenced matter, please find the Company’s Lead Service Line Replacement (“LSLR”) charge calculation for the November 1, 2023 to April 30, 2024 LSLR Recovery Period (the “Fourth LSLR Plan Surcharge Filing”).

As established in the Company’s Third LSLR Plan Surcharge Filing, the Company is including in this filing an update of the total number of replacements for the annual reconciliation period (or “calendar year 2023”) provided on Schedule C. Additionally, the Company has included the under/(over) collection of the surcharge amount in effect for the annual reconciliation period which is provided on Schedule C-1.

Separately, the Company recognizes that the calculation results for the Fourth LSLR Plan Surcharge Filing exceed the noticed bill impact. The fixed surcharge proposed for the non-GMS customer is therefore limited to the maximum noticed bill impact amount. Any under- or over-collection will be included in the annual (calendar year) reconciliation.

The Fourth LSLR Plan Surcharge Filing consists of the following:

- A. Customer-side lead service line replacement summary (Schedule A)
- B. The LSLR Surcharge Plan Filing surcharge calculation (Schedule B)
- C. Total number of customer-side lead service line replacement summary for the annual reconciliation period (Schedule C)
- D. Annual reconciliation of under/(over) collection of revenue (Schedule C-1)
- E. Rate Schedule O-2, Lead Service Line Replacement Charge (Third Revised Sheet No. 40.2) – with an effective date of July 1, 2024 (Schedule D)

Hon. Sherri L. Golden, Secretary
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Please do not hesitate to contact me if you have any questions or require any additional information regarding this filing.

Respectfully submitted,



Christopher M. Arfaa

CMA:dlc
Enc.

c: Attached service list (via email, w/enc.)

**I/M/O the Petition of New Jersey American Water Company, Inc. for
Approval of Proposed Cost Recovery of Lead Service Replacement Plan
BPU Docket No. WR22010017**

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**I/M/O the Petition of New Jersey American Water Company, Inc. for
Approval of Proposed Cost Recovery of Lead Service Replacement Plan
BPU Docket No. WR22010017**

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**I/M/O the Petition of New Jersey American Water Company, Inc. for
Approval of Proposed Cost Recovery of Lead Service Replacement Plan
BPU Docket No. WR22010017**

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New Jersey-American Water Company, Inc.
Customer Lead Service Line Replacement - Docket No. WR22010017
Summary of Replacements - November 2023 through April 2024

Schedule A

Line No.	Area Location	No. of Replacements*
1	Absecon	60
2	Asbury Park	2
3	Audubon	48
4	Barrington	3
5	Bay Head	1
6	Belvidere	3
7	Berkeley Heights	2
8	Bernardsville	1
9	Beverly	19
10	Bound Brook Borough	18
11	Bradley Beach	3
12	Bridgewater Twp	1
13	Camden	5
14	Carneys Point	2
15	Chatham Twp	1
16	Cinnaminson	1
17	Clark Twp	1
18	Cranbury Twp	2
19	Cranford Twp	6
20	Deal	2
21	Delanco	2
22	Delran	1
23	Dunellen Borough	6
24	Eatontown	2
25	Egg Harbor City	8
26	Egg Harbor Twp	9
27	Fair Haven	1
28	Fanwood	2
29	Franklin Twp	1
30	Frenchtown Borough	12
31	Galloway	2
32	Garwood Borough	2
33	Haddon Heights	166
34	Haddon Twp	2
35	Haddonfield	6
36	Hainesport Twp	4
37	Hazlet	3
38	Hillside	10
39	Hi-Nella	8
40	Irvington	326
41	Kenilworth	6
42	Lakewood	17

New Jersey-American Water Company, Inc.
Customer Lead Service Line Replacement - Docket No. WR22010017
Summary of Replacements - November 2023 through April 2024

Schedule A

Line No.	Area Location	No. of Replacements*
43	Laurel Springs	5
44	Linden City	5
45	Lindenwold	4
46	Linwood	13
47	Little Falls	3
48	Little Silver	4
49	Long Branch	26
50	Lumberton Twp	4
51	Mantoloking	1
52	Manville Borough	1
53	Maplewood	17
54	Middle Twp	11
55	Middlesex Borough	2
56	Middletown	11
57	Millburn	19
58	Mount Holly Twp	11
59	Mountainside Borough	2
60	Mt Ephraim	1
61	Neptune	25
62	Neptune City	4
63	North Plainfield Borough	41
64	Northfield	20
65	Oaklyn	17
66	Ocean	4
67	Ocean City	158
68	Oceanport	2
69	Palmyra	2
70	Peapack Gladstone Borough	1
71	Piscataway Twp	3
72	Plainfield City	197
73	Pleasantville	47
74	Plumsted Twp	15
75	Princeton Borough	8
76	Princeton Twp	5
77	Riverside	5
78	Roselle Borough	11
79	Roselle Park Boro	5
80	Rumson	4
81	Runnemede	4
82	Scotch Plains Twp	12
83	Shrewsbury	10
84	Somers Point	18

New Jersey-American Water Company, Inc.
Customer Lead Service Line Replacement - Docket No. WR22010017
Summary of Replacements - November 2023 through April 2024

Schedule A

Line No.	Area Location	No. of Replacements*
85	Somerville Borough	2
86	South Bound Brook Borough	5
87	South Plainfield Boro	8
88	Southampton Twp	1
89	Springfield	1
90	Stratford	6
91	Summit	3
92	Tinton Falls	3
93	Union Twp	33
94	Upper Twp	15
95	Washington Twp	1
96	West Long Branch	5
97	West Orange	10
98	West Windsor Twp	3
99	Westfield	14
Total		1,645

*No. of Replacements at time of filing does not necessarily reflect all replacements due to timing of reporting.
The Company will update the number of replacements for the period in the respective annual reconciliation filing.

New Jersey-American Water Company, Inc.
 Customer Lead Service Line Replacement - Docket No. WR22010017
 Surcharge Filing #4 - Effective 7/1/2024

Schedule B

Line No.	Deferred Costs Description	Total Surcharge Amount
1	<i>Replacement Costs for the period 11/1/2023-4/30/2024</i>	
2	Customer Lead Service Lines - Replacements	\$24,921,560
3	Customer Lead Service Lines - Communication	442,154
4	Deferred Debt cost ¹	270,940
5	Total O&M Expense, including debt	\$25,634,654
6		
7	Reconciliation under/(over) collected for calendar year 2023	536,073 (Schedule C-1)
8	Total O&M expense, including reconciliation	\$26,170,727
9		
10		

11 ¹ Cost of Debt per the Company's base rate cases

12	Docket No.	Annual	Effective Date
13	WR22010019	3.9018%	9/1/2022
14			
15			

16 **Docket No. WR22010019 - Revenue Allocation**

18	Classification	Total Revenue	Percent
19	Rate Schedule - GMS	\$682,957,134	87.48%
20	Rate Schedule - Non-GMS	97,770,453	12.52%
21	Total	\$780,727,587	100.00%
22			
23			

24 **Rate Design - Surcharge per classification**

26	Classification	Customer Count at 4/30/2024	Usage(TG) - 6 months ²	Semi- Annual Surcharge Amount	Semi - Annual Rate per Customer ³	Monthly Surcharge Rate	Monthly Impact ⁴
27	Rate Schedules - GMS		26,042,317	\$22,893,369	\$0.8791	\$0.8791	\$4.85
28	Rate Schedule - Non-GMS ⁵	13,070		3,277,358	\$250.75	\$21.24	
29				\$26,170,727			

30 ² Usage for the six-months ended April 30, 2024

31 ³ GMS is the rate per 1,000 gallons. Non-GMS is the cost per customer.

32 ⁴ GMS impact using the average monthly customer usage of 5,520 gallons.

33 ⁵ Monthly surcharge amount exceeded noticed amount. Surcharge implemented is limited to the maximum noticed bill impact amount of \$21.24.

New Jersey-American Water Company, Inc.
Customer Lead Service Line Replacement - Docket No. WR22010017
Annual Replacements - July 1, 2020 through December 31, 2023

Schedule C

Line No.	Area Location	No. of Replacements**
1	Absecon	46
2	Allenhurst	7
3	Asbury Park	27
4	Audubon	309
5	Barrington	5
6	Bay Head	12
7	Bellmawr	2
8	Belvidere	48
9	Berkeley Heights	6
10	Bernards Twp	1
11	Bernardsville	3
12	Beverly	3
13	Bound Brook Borough	17
14	Bradley Beach	14
15	Branchburg Twp	1
16	Camden	4
17	Carneys Point	6
18	Chatham Twp	8
19	Chester Twp	1
20	Cinnaminson	3
21	Clark Twp	5
22	Cranbury Twp	1
23	Cranford Twp	34
24	Deal	13
25	Delanco	1
26	Delran	3
27	Dunellen Borough	3
28	Eatontown	90
29	Edison Twp	1
30	Egg Harbor City	2
31	Egg Harbor Twp	3
32	Fair Haven	52
33	Fanwood	8
34	Franklin Twp	1
35	Frenchtown Borough	142
36	Garwood Borough	6
37	Haddon Heights	269
38	Haddon Twp	3
39	Haddonfield	52
40	Hainesport Twp	13
41	Harrison Twp	3
42	Hazlet	5
43	Hillside	950
44	Hi-Nella	3
45	Interlaken	2

New Jersey-American Water Company, Inc.
Customer Lead Service Line Replacement - Docket No. WR22010017
Annual Replacements - July 1, 2020 through December 31, 2023

Schedule C

Line No.	Area Location	No. of Replacements**
46	Irvington	1,421
47	Jamesburg	3
48	Kenilworth	14
49	Lakewood	13
50	Laurel Springs	10
51	Linden City	15
52	Lindenwold	9
53	Linwood	40
54	Little Falls	15
55	Little Silver	19
56	Loch Arbour	1
57	Long Branch	52
58	Long Hill Twp	4
59	Lumberton Twp	7
60	Magnolia	3
61	Mantoloking	2
62	Manville Borough	3
63	Maplewood	140
64	Mendham Twp	1
65	Middle Twp	11
66	Middlesex Borough	7
67	Middletown	131
68	Millburn	60
69	Monmouth Beach	1
70	Monroe Twp	2
71	Mount Holly Twp	42
72	Mountainside Borough	3
73	Mt Ephraim	7
74	Mt Olive	14
75	Neptune	73
76	Neptune City	15
77	New Providence	1
78	North Plainfield Borough	115
79	Northfield	11
80	Oaklyn	10
81	Ocean	27
82	Ocean City	175
83	Oceanport	14
84	Oldmans	1
85	Palmyra	2
86	Peapack Gladstone Borough	1
87	Piscataway Twp	18
88	Plainfield City	373
89	Plainsboro Twp	1
90	Pleasantville	61

New Jersey-American Water Company, Inc.
Customer Lead Service Line Replacement - Docket No. WR22010017
Annual Replacements - July 1, 2020 through December 31, 2023

Schedule C

Line No.	Area Location	No. of Replacements**
91	Plumsted Twp	32
92	Princeton Borough	13
93	Princeton Twp	6
94	Riverside	18
95	Riverton	1
96	Roselle Borough	21
97	Roselle Park Boro	15
98	Roxbury Township	21
99	Rumson	22
100	Runnemede	5
101	Scotch Plains Twp	19
102	Sea Bright	1
103	Shrewsbury	54
104	Somers Point	21
105	Somerville Borough	8
106	South Bound Brook Borough	1
107	South Plainfield Boro	40
108	Southampton Twp	2
109	Springfield	3
110	Stratford	16
111	Summit	71
112	Tinton Falls	7
113	Union Beach	3
114	Union Twp	88
115	Upper Twp	11
116	Voorhees	1
117	Washington Borough	180
118	Washington Twp	9
119	Watchung Borough	1
120	West Long Branch	16
121	West Orange	98
122	West Windsor Twp	3
123	Westfield	27
124	Woodland Park	43
Total		6,013

**Updated for the total number of replacements for annual reconciliation period.

New Jersey-American Water Company, Inc.
Customer Lead Service Line Replacement - Docket No. WR22010017
Annual Reconciliation - Calendar Year 2023

Schedule C-1

	Filing #1	Filing #2	Total
Surcharge Filing	<u>7/1/2020-10/31/2022</u>	<u>11/1/2022 - 4/30/2023</u>	
Surcharge Amount	\$7,285,164	\$12,834,832	\$20,119,996
Surcharge Effective Dates	<u>2/13/2023-6/30/2023</u>	<u>7/1/2023-12/31/2023</u>	Total
Surcharge Billed	\$3,847,711	\$15,736,211	\$19,583,923
Under/(Over) collection amount to Schedule B	<u>\$3,437,452</u>	<u>(\$2,901,379)</u>	<u>\$536,073</u>

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

Third Revised Sheet: No. 40.2
Superseding Second Revised Sheet: No. 40.2

RATE SCHEDULE O-2
LEAD SERVICE LINE REPLACEMENT CHARGE

APPLICABILITY

Applicable to all water customer classes served by the Company in all service areas for water service taking service under Rate Schedules A-1 through A-16 (GMS) and C, D, E, F, G, H, I, J, and L-1 through L12 (non-GMS). The Lead Service Line Replacement Charge is designed to recover project costs associated with replacing customer-owned lead service lines.

CHARACTER

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

LEAD SERVICE LINE REPLACEMENT CHARGE (LSLRC)

In addition to all other charges for GMS and non-GMS customers throughout the entire territory served, the following charges will be assessed as follows commencing July 1, 2024:

- For each surcharge period, revenue responsibility shall be assigned to GMS customers on a volumetric basis in the same proportion as total revenue requirements were assigned to GMS in the Company's most recently concluded base rate case. Then the balance of the revenue responsibility shall be assigned to non-GMS as a fixed per customer surcharge based on the aggregate customer count of non-GMS customers.
- The non-GMS customer count and GMS volumetric usage will be updated with each surcharge filing. The non-GMS customer count will be updated to reflect the count at the end of the month prior to each surcharge filing. The GMS usage will be updated to reflect the actual usage from the six-month period during which the costs were incurred.
- GMS and non-GMS LSLRC revenue requirement allocation percentages will be updated following each base rate proceeding during the LSLRC recovery period.

RATE

This charge is in addition to Rate Schedules A-1 through A-16 (GMS) and C, D, E, F, G, H, I, J, and L-1 through L12 (non-GMS). The surcharge amounts for GMS and Non-GMS customers are as follows:

<u>GMS</u> <u>Rate Per 1,000 Gallons</u>	<u>Non-GMS</u> <u>Fixed Charge Per Month</u>
\$ 0.8981	\$21.24

The recovery of these costs will be shown as a LSLRC surcharge on each customer's bill.

FILING

The LSLRC is authorized pursuant to N.J.S. A. 58:12A-40, et seq. (Lead Service Line Replacement Law) and the procedures for filing, approving and implementing the LSLRC are set forth therein, along with the Company's Lead Service Line Replacement Plan, which was reviewed and approved by the Board of Public Utilities in BPU Docket No. WR22010017 on October 12, 2022, and the BPU Order approving said Plan.

The approval process for implementing this surcharge includes public notice and hearing. The notice included a proposed surcharge amount based on the actual project costs associated with the replacement of customer-owned lead service lines incurred by the Company between July 1, 2020 and October 31, 2022, as well as estimated surcharge amounts for the first five years of the lead service line replacement program, which were estimated based on estimated construction schedules, costs and other factors described in the approved Lead Service Line Replacement Plan. Pursuant to the approved Lead Service Line Replacement Plan, the Company shall endeavor to make semi-annual LSLRC filings at approximately six-month intervals. In addition, to ensure that customers are surcharged the proper amount, the Company will reconcile any over- or under-collections on an annual basis as part of its surcharge filings.

TERMS OF PAYMENT

See Rate Schedules for applicable customer classes.

CONDITIONS

Subject to the "Standard Terms and Conditions" except as otherwise set forth in this Schedule.

Issued: May 17, 2024

Effective: July 1, 2024

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. WR22010017 dated October 12, 2022.