



Agenda Date: 1/14/26

Agenda Item: 5B

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

WATER

IN THE MATTER OF THE PETITION OF NEW JERSEY-	)	ORDER APPROVING
AMERICAN WATER COMPANY, INC. FOR RECOVERY	)	STIPULATION
OF REGULATORY ASSET ESTABLISHED FOR	)	
INCREMENTAL COVID-19 RELATED EXPENSES, AND	)	
FOR ESTABLISHMENT OF AN UNCOLLECTIBLE	)	
ADJUSTMENT CLAUSE	)	DOCKET NO. WR25080467

**Parties of Record:**

**Steven R. Bishop, Esq.**, New Jersey-American Water Company, Inc.  
**Brian O. Lipman, Esq.**, Director, New Jersey Division of Rate Counsel

**BY THE BOARD:**

On July 31, 2025, New Jersey-American Water Company, Inc. ("NJAWC" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking approval to change its Special Programs Charge ("SPC") rates which were established to recover incremental COVID-19 related expenses ("Petition"). By this Order, the Board considers a stipulation of settlement ("Stipulation") executed by NJAWC, Board Staff ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") resolving all issues in the Petition.

**BACKGROUND AND PROCEDURAL HISTORY**

By Order dated May 22, 2024, the Board authorized NJAWC to establish the SPC to recover incremental COVID-19 related expenses that were deferred for recovery pursuant to the Board's Orders dated July 2, 2020, and December 21, 2022, in Docket No. AO20060471.<sup>1</sup> By the May 2024 Order, NJAWC was authorized to recover \$14,204,102 in incremental COVID-19 related expenses through the SPC beginning no later than June 1, 2024, over a three (3)-year period.

By the Petition, the Company sought a reconciliation of the SPC collections. Specifically, NJAWC proposed to change the SPC rate to include an under collection of \$508,706 during the first annual SPC recovery period of June 1, 2024, through May 31, 2025, as well as the associated interest in the amount of \$26,656 over the next twelve (12)-month recovery period.

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<sup>1</sup> In re the Petition of New Jersey American Water Company, Inc. for Recovery of Regulatory Asset Established for Incremental COVID-19 Related Expenses, and for Establishment of an Uncollectable Adjustment Clause, BPU Docket No. WR23050275, Order dated May 22, 2024 ("May 2024 Order").

The Company proposed to modify the SPC from \$0.0551 per thousand gallons to \$0.0639 per thousand gallons for General Metered Service ("GMS") customers and from \$0.99 per month to \$1.23 per month for non-GMS customers.

After proper notice, public hearings were held on November 13, 2025. No members of the public attended these hearings, and no written comments were filed with the Board.

### **STIPULATION**

Following a review of the Petition, discovery and discussions, the Parties executed the Stipulation, the key elements of which are as follows:<sup>2</sup>

1. The Parties agree that NJAWC experienced an under recovery of the regulatory asset established for incremental COVID-19 related expenses through its SPC as detailed below:
  - a. The SPC is applicable to the following rate schedules: GMS Rate Schedules A-1 through A-18; Rate Schedules C and D – Commodity Demand; Rate Schedule F – OIW; Rate Schedules E, H, I, J; Rate Schedule G - SOS; Rate Schedules L-1 through L-13 – Private Fire Service; Rate Schedules M-1 through M-12 – Public Fire Service; and Rate Schedules 1-A through 13-A, 16-A, and 21-A – Wastewater Service (collectively, "non-GMS").
  - b. The calculation of the monthly volumetric charge for GMS of \$0.0551 per thousand gallons and the monthly fixed, per customer charge for non-GMS of \$0.99 per month for the first annual SPC recovery period of June 1, 2024 through May 31, 2025 resulted in an under collection of \$496,695 based on customer usage for the twelve (12)-month period and the application of Low Income Household Water Assistance Program funds received.
  - c. The interest to be collected on the under recovery at the five (5)-year Treasury rate plus sixty (60) basis points is \$21,507.
  - d. The total annual recovery amount for the second annual SPC recovery period, including reconciliation, is \$5,245,413.
  - e. The monthly SPC for the second annual SPC recovery period for GMS customers will be a volumetric charge of \$0.0636 per thousand gallons, and for non-GMS customers, a flat fee of \$1.22. As a result, an average GMS customer using 5,642 gallons of water per month will see an increase to the SPC on their bill from \$0.31 per month to \$0.36 per month, and an average non-GMS customer will see an increase to the SPC on their bill from \$0.99 per month to \$1.22 per month.

### **DISCUSSION AND FINDINGS**

The Board reviewed the record in this proceeding, including the Petition and the Stipulation and **HEREBY FINDS** the Stipulation is reasonable, in the public interest, and in accordance with the

<sup>2</sup> Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order. Paragraphs are numbered and/or lettered to coincide with the Stipulation.

law. The Board **HEREBY ADOPTS** the Stipulation attached hereto, as its own, incorporating by reference the terms and conditions of the Stipulation as if fully set forth herein.

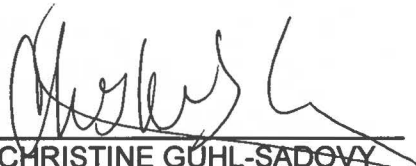
The Board **HEREBY DIRECTS** the Company to file tariff pages conforming to the terms and conditions of the Stipulation and this Order prior to February 1, 2026, for rates effective February 1, 2026. As a result of the Stipulation, an average GMS customer using 5,642 gallons of water per month will see an increase to the SPC on their bill from \$0.31 per month to \$0.36 per month, and an average non-GMS customer will see an increase to the SPC on their bill from \$0.99 per month to \$1.22 per month.

The Company's rates remain subject to audit by the Board. This Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.

The effective date of this Order is January 21, 2026.

DATED: January 14, 2026

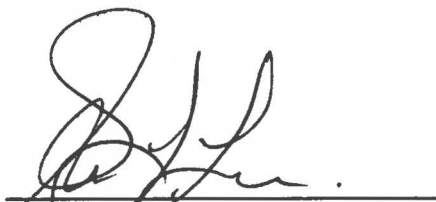
BOARD OF PUBLIC UTILITIES  
BY:

  
CHRISTINE GUHL-SADOVY  
PRESIDENT

  
DR. ZENON CHRISTODOULOU  
COMMISSIONER

  
MICHAEL BANGE  
COMMISSIONER

ATTEST:

  
SHERRI L. LEWIS  
BOARD SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public Utilities.

IN THE MATTER OF THE PETITION OF NEW JERSEY-AMERICAN WATER COMPANY, INC. FOR RECOVERY  
OF REGULATORY ASSET ESTABLISHED FOR INCREMENTAL COVID-19 RELATED EXPENSES, AND FOR  
ESTABLISHMENT OF AN UNCOLLECTIBLE ADJUSTMENT CLAUSE

DOCKET NO. WR25080467

SERVICE LIST

**NEW JERSEY AMERICAN WATER**

1 Water Street  
Camden, NJ 08102

Steven R. Bishop, Esq., VP and General Counsel  
[steven.bishop@amwater.com](mailto:steven.bishop@amwater.com)

Teresa K. Harrold, Esq., Director, Corporate Counsel  
[Teresa.harrold@amwater.com](mailto:Teresa.harrold@amwater.com)

Michael McKeever, Senior Director, Rates and Revenues  
[Michael.mckeever@amwater.com](mailto:Michael.mckeever@amwater.com)

Jamie D. Hawn, Director, Rates and Revenues  
[Jamie.hawn@amwater.com](mailto:Jamie.hawn@amwater.com)

Donna Carney, Paralegal  
[Donna.carney@amwater.com](mailto:Donna.carney@amwater.com)

**BOARD OF PUBLIC UTILITIES**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, NJ 08625-0350

Sherri L. Lewis, Board Secretary  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Stacy Peterson, Deputy Executive Director  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

Kyle Felton  
[kyle.felton@bpu.nj.gov](mailto:kyle.felton@bpu.nj.gov)

**General Counsel's Office**

Ava-Marie Madeam, General Counsel  
[avamarie.madeam@bpu.nj.gov](mailto:avamarie.madeam@bpu.nj.gov)

Elsbeth Faiman Hans, Deputy General Counsel  
[elsbeth.hans@bpu.nj.gov](mailto:elsbeth.hans@bpu.nj.gov)

Kit Burnette, Regulatory Officer  
[kit.burnette@bpu.nj.gov](mailto:kit.burnette@bpu.nj.gov)

**DIVISION OF RATE COUNSEL**

140 East Front Street, 4<sup>th</sup> Floor  
Trenton, NJ 08625-0003

Brian O. Lipman, Esq., Director  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Christine Juarez, Esq.  
[cjuarez@rpa.nj.gov](mailto:cjuarez@rpa.nj.gov)

Megan Lupo, Esq.  
[mlupo@rpa.nj.gov](mailto:mlupo@rpa.nj.gov)

**Rate Counsel Consultants**

Dante Mugrace  
PCMG Associates  
99 Moonlight Court  
Toms River, NJ 08753  
[dmugrace@pcmggregcon.com](mailto:dmugrace@pcmggregcon.com)

Charles R. Sweeney  
Sweeney Consulting, LLC  
22550 Calverton Road  
Shaker Heights, OH 44122  
[chuckrsweeney@gmail.com](mailto:chuckrsweeney@gmail.com)

**DIVISION OF LAW**

Department of Law and Public Safety  
Richard J. Hughes Justice Complex  
Public Utilities Section  
25 Market Street, P.O. Box 112  
Trenton, NJ 08625

Meliha Arnautovic, DAG  
[meliha.arnautovic@law.njoag.gov](mailto:meliha.arnautovic@law.njoag.gov)

Jack A. Ventura, DAG  
[jack.ventura@law.njoag.gov](mailto:jack.ventura@law.njoag.gov)

Pamela Owen, ASC, DAG  
[pamela.owen@law.njoag.gov](mailto:pamela.owen@law.njoag.gov)



**Teresa K. Harrold**  
Director, Corporate Counsel  
852 Wesley Drive | Mechanicsburg, PA 17055  
Phone: 717-550-1562 | Mobile: 717-303-8381  
[teresa.harrold@amwater.com](mailto:teresa.harrold@amwater.com)

December 11, 2025

**Via Electronic Mail**

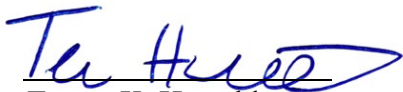
Hon. Sherri Lewis, Secretary  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350

**Re: In the Matter of the Petition of New-Jersey American Water Company, Inc.  
for Recovery of Regulatory Asset Established For Incremental COVID-19  
Related Expenses, and for Establishment of an Uncollectible Adjustment  
Clause; Docket No. WR25080467**

Dear Secretary Lewis:

New Jersey-American Water Company, Inc. is electronically filing this Stipulation of Settlement with the New Jersey Board of Public Utilities in the above-referenced proceeding. Please feel free to reach out if you have any questions.

Respectfully submitted,

  
Teresa K. Harrold

TKH  
Enc.

cc: Service list (via email, w/enc.)

I/M/O the Petition of New Jersey-American Water Company, Inc. for Recovery of  
Regulatory Asset Established for Incremental Covid-19 Related Expenses, and for  
Establishment of an Uncollectible Adjustment Clause – SPC Surcharge and Reconciliation  
**BPU Docket No. WR25080467**

**Service List**

Stacy Peterson  
Deputy Executive Director  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625  
[Stacy.Peterson@bpu.nj.gov](mailto:Stacy.Peterson@bpu.nj.gov)

Kyle Felton  
Board of Public Utilities  
44 South Clinton Avenue  
PO Box 350  
Trenton, NJ 08625-0350  
[kyle.felton@bpu.nj.gov](mailto:kyle.felton@bpu.nj.gov)

Michael Hunter  
Board of Public Utilities  
44 South Clinton Avenue  
PO Box 350  
Trenton, NJ 08625  
[Michael.Hunter@bpu.nj.gov](mailto:Michael.Hunter@bpu.nj.gov)

Kit Burnette  
Board of Public Utilities  
44 South Clinton Avenue  
PO Box 350  
Trenton, NJ 08625  
[kit.burnette@bpu.nj.gov](mailto:kit.burnette@bpu.nj.gov)

Pamela Owen, DAG  
Division of Law  
Hughes Justice Complex  
25 Market Street  
P.O. Box 112  
Trenton, NJ 08625  
[pamela.owen@law.njoag.gov](mailto:pamela.owen@law.njoag.gov)

Meliha Arnautovic, DAG  
Division of Law  
Hughes Justice Complex  
25 Market Street  
P.O. Box 112  
Trenton, NJ 08625  
[meliha.arnautovic@law.njoag.gov](mailto:meliha.arnautovic@law.njoag.gov)

Brian Lipman, Director  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Susan McClure, Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[smcclure@rpa.nj.gov](mailto:smcclure@rpa.nj.gov)

Christine Juarez, Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[cjuarez@rpa.nj.gov](mailto:cjuarez@rpa.nj.gov)

Megan Lupo, Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[mlupo@rpa.nj.gov](mailto:mlupo@rpa.nj.gov)

Felecia Rodgers, Legal Secretary  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[frodgers@rpa.nj.gov](mailto:frodgers@rpa.nj.gov)

Charles R. Sweeney  
Sweeney Consulting, LLC  
22550 Calverton Road  
Shaker Heights, OH 44122  
[chuckrsweeney@gmail.com](mailto:chuckrsweeney@gmail.com)

I/M/O the Petition of New Jersey-American Water Company, Inc. for Recovery of  
Regulatory Asset Established for Incremental Covid-19 Related Expenses, and for  
Establishment of an Uncollectible Adjustment Clause – SPC Surcharge and Reconciliation  
**BPU Docket No. WR25080467**

**Service List**

Dante Mugrace, Senior Consultant  
PCMG and Associates  
90 Moonlight Court  
Toms River, NJ 08753  
[dmugrace@pcmgregcon.com](mailto:dmugrace@pcmgregcon.com)

Bradford M. Stern, Esq.  
Rothfelder Stern, L.L.C.  
407 Greenwood Ave., #301  
Trenton, NJ 08609  
[bstern@rothfelderstern.com](mailto:bstern@rothfelderstern.com)

Stephen R. Bishop  
VP and General Counsel  
New Jersey American Water Company  
1 Water Street  
Camden, NJ 08102  
[stephen.bishop@amwater.com](mailto:stephen.bishop@amwater.com)

Anthony R. Francioso  
Fornaro Francioso LLC  
Center City Office Park  
1540 Kuser Rd, Suite A1  
Hamilton, New Jersey 08619  
[afrancioso@fornarofrancioso.com](mailto:afrancioso@fornarofrancioso.com)

Teresa K. Harrold  
Director, Corporate Counsel  
New Jersey American Water Company  
1 Water Street  
Camden, NJ 08102  
[teresa.harrold@amwater.com](mailto:teresa.harrold@amwater.com)

Michael McKeever  
Senior Director, Rates & Regulatory  
New Jersey American Water Company  
1 Water Street  
Camden, NJ 08102  
[michael.mckeever@amwater.com](mailto:michael.mckeever@amwater.com)

Jamie D. Hawn  
Director, Rates & Regulatory  
New Jersey American Water Company  
1 Water Street  
Camden, NJ 08102  
[Jamie.Hawn@amwater.com](mailto:Jamie.Hawn@amwater.com)

Donna Carney  
Paralegal  
New Jersey American Water  
149 Yellowbrook Road  
Farmingdale, NJ 07727  
[Donna.Carney@amwater.com](mailto:Donna.Carney@amwater.com)

Martin C. Rothfelder, Esq.  
Rothfelder Stern, L.L.C.  
407 Greenwood Ave., #301  
Trenton, NJ 08609  
[mrothfelder@rothfelderstern.com](mailto:mrothfelder@rothfelderstern.com)

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

IN THE MATTER OF THE PETITION OF :  
NEW JERSEY-AMERICAN WATER :  
COMPANY, INC. FOR RECOVERY OF : STIPULATION OF SETTLEMENT  
REGULATORY ASSET ESTABLISHED :  
FOR INCREMENTAL COVID-19 RELATED :  
EXPENSES, AND FOR ESTABLISHMENT :  
OF AN UNCOLLECTIBLE ADJUSTMENT :  
CLAUSE : BPU Docket No. WR25080467

**APPEARANCES:**

**Stephen R. Bishop, Esq.**, Vice-President and General Counsel, New Jersey-American Water Company, Inc., Petitioner

**Susan McClure, Deputy Rate Counsel, Christine Juarez, Assistant Deputy Rate Counsel** and Megan C. Lupo, Assistant Deputy Rate Counsel, on behalf of the Division of Rate Counsel (Brian O. Lipman, Director)

**Meliha Arnautovic, Deputy Attorney General**, on behalf of the Staff of the Board of Public Utilities (Matthew J. Platkin, Attorney General of New Jersey)

**TO THE HONORABLE BOARD OF PUBLIC UTILITIES:**

On July 31, 2025, New Jersey-American Water Company, Inc. (“NJAWC” or “Company”) submitted a reconciliation filing with the New Jersey Board of Public Utilities (“Board”) seeking to increase its Special Program Charge (“SPC”) (“SPC Reconciliation Petition”).

The Company, the New Jersey Division of Rate Counsel (“Rate Counsel”), and Board Staff (“Staff”) (collectively, “Signatory Parties”) have agreed to a negotiated resolution of this matter.

**BACKGROUND AND PROCEDURAL HISTORY**

On May 22, 2024, the Board issued an Order at Docket No. WR23050275 approving NJAWC’s adoption of a SPC to recover incremental COVID-19 related expenses that were deferred for recovery pursuant to the Board’s Orders dated July 2, 2020 and December 21, 2022

in Docket No. AO20060471.<sup>1</sup> By the May 2024 Order, NJAWC was authorized to recover \$14,204,102 in incremental COVID-19 related expenses through the SPC beginning no later than June 1, 2024 over a three (3)-year period.

On July 31, 2025, the Company filed the SPC Reconciliation Petition requesting to change the SPC rate to include an under collection of \$508,706 during the first annual SPC recovery period of June 1, 2024 through May 31, 2025, as well as the associated interest in the amount of \$26,656 over the next twelve (12)-month recovery period. Specifically, the Company proposed to modify the SPC from \$0.0551 per thousand gallons to \$0.0639 per thousand gallons for GMS customers and from \$0.99 per month to \$1.23 per month for non-GMS customers as those classifications are defined within Rate Schedule O-3 of the Company's tariff. The GMS customer impact for customers with average monthly usage of 5,642 gallons is \$0.36 per month. This will result in an increase of \$0.05 per month.

Following submission of NJAWC's SPC Reconciliation Petition, Rate Counsel and Board Staff served interrogatories on NJAWC, which were responded to in full by the Company.

On November 13, 2025, two (2) duly noticed virtual public hearings presided over by an officer of the Board were held at 4:30 PM and 5:30 PM. No members of the public attended.

As a result of a review of the SPC Petition and discovery responses, and settlement communications among the parties, the Signatory Parties reached a stipulation of settlement ("Stipulation"), the provisions of which are set forth below.

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<sup>1</sup> In re the Petition of New Jersey American Water Company, Inc. for Recovery of Regulatory Asset Established for Incremental COVID-19 Related Expenses, and for Establishment of an Uncollectable Adjustment Clause, BPU Docket No. WR23050275, Order dated May 22, 2024 ("May 2024 Order").

## **STIPULATION OF SETTLEMENT**

1. The Signatory Parties agree that NJAWC experienced an under recovery of the regulatory asset established for incremental COVID-19 related expenses through its SPC as detailed below:
  - a. The SPC is applicable to the following rate schedules: General Metered Service (“GMS”) Rate Schedules A-1 through A-18; Rate Schedules C and D – Commodity Demand; Rate Schedule F – OIW; Rate Schedules E, H, I, J; Rate Schedule G - SOS; Rate Schedules L-1 through L-13 – Private Fire Service; Rate Schedules M-1 through M-12 – Public Fire Service; and Rate Schedules 1-A through 13-A, 16-A, and 21-A – Wastewater Service (collectively, “non-GMS”).
  - b. The calculation of the monthly volumetric charge for GMS of \$0.0551 per thousand gallons and the monthly fixed, per customer charge for non-GMS of \$0.99 per month for the first annual SPC recovery period of June 1, 2024 through May 31, 2025 resulted in an under collection of \$496,695 based on customer usage for the twelve (12)-month period and the application of Low Income Household Water Assistance Program funds received.
  - c. The interest to be collected on the under recovery at the five-year Treasury rate plus 60 basis points is \$21,507.
  - d. The total annual recovery amount for the second annual SPC recovery period, including reconciliation, is \$5,245,413.
  - e. The monthly SPC for the second annual SPC recovery period for GMS customers will be a volumetric charge of \$0.0636 per thousand gallons, and for non-GMS customers, a flat fee of \$1.22. As a result, an average GMS customer using 5,642

gallons of water per month will see an increase to the SPC on their bill from \$0.31 per month to \$0.36 per month, and an average non-GMS customer will see an increase to the SPC on their bill from \$0.99 per month to \$1.22 per month.

2. This Stipulation shall be binding on the Signatory Parties upon approval hereof by the Board. This Stipulation shall bind the Signatory Parties in this matter only and shall not be considered precedential in any other proceeding involving the Signatory Parties hereto.
3. This Stipulation contains terms each of which is interdependent with the others and essential to the signing of this Stipulation. Each term is vital to the agreement, since the Signatory Parties individually and collectively state that they would not have signed the Stipulation had any term been modified in any way. In the event that any modifications whatsoever are made to this Stipulation, each of the Signatory Parties hereto is entitled to certain procedures described below.
4. If any modification is made to the terms of this Stipulation, the Signatory Parties must be given the right to be placed in the position in which each Signatory Party was before this Stipulation was executed. It is essential that each Signatory Party be given the option to modify its own position, to accept the proposed change(s), or to resume the proceeding as if no agreement had been reached.
5. The Signatory Parties believe that these procedures are fair to all concerned and, therefore, they are made an integral and essential element of this Stipulation.
6. This Stipulation may be executed in as many counterparts as there are signatories to this Stipulation, each of which counterpart shall be an original, but all of which shall constitute one and the same instrument.

MATTHEW J. PLATKIN ATTORNEY  
GENERAL OF NEW JERSEY  
Attorney for the Staff of the  
Board of Public Utilities

BRIAN O. LIPMAN, DIRECTOR  
DIVISION OF RATE COUNSEL

By: Meliha Arnautovic DAG  
Meliha Arnautovic  
Deputy Attorney General

By: Christine M. Juarez  
Christine Juarez  
Asst. Deputy Rate Counsel

Dated: 12/5/2025

Dated: 12/5/25

NEW JERSEY-AMERICAN WATER  
COMPANY, INC.

By: Stephen R. Bishop  
Stephen R. Bishop  
Vice-President and General Counsel

Dated: 12/5/25