



Agenda Date: 9/9/26

Agenda Item: 2F

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

REVENUE AND RATES

IN THE MATTER OF THE PETITION OF NEW JERSEY-) ORDER APPROVING
AMERICAN WATER COMPANY, INC. FOR APPROVAL) STIPULATION
OF A PROPOSED RATE SCHEDULE TO DISTRIBUTE)
MULTIDISTRICT LITIGATION PROCEEDS TO) BPU DOCKET NO. WR25110606
CUSTOMERS)

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Teresa K. Harrold, Esq., Counsel, on behalf of New Jersey-American Water Company, Inc.

BY THE BOARD:

On November 19, 2025, New Jersey-American Water Company, Inc. ("NJAWC" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") pursuant to N.J.S.A. 48:2-21 seeking approval to implement a Perfluoroalkyl and Polyfluoroalkyl Substances ("PFAS") Litigation Universal Surcredit ("PLUS") under Rate Schedule O-3, Societal Programs, of the Company's Tariff for Water and Wastewater Service, B.P.U. No. 8 ("Petition"). By this Decision and 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") intended to resolve all issues related to the Petition.

BACKGROUND AND PROCEDURAL HISTORY

NJAWC is a regulated public utility engaged in the production, treatment, and distribution of water and the collection and treatment of wastewater in New Jersey. As of December 31, 2024, NJAWC served approximately 672,000 water and fire service customers and approximately 70,000 wastewater customers in more than 190 communities across its New Jersey service territory.

On February 27, 2018, NJAWC filed a complaint in the United States District Court for the District of New Jersey against E.I. DuPont de Nemours & Co. and its subsidiary The Chemours Company (collectively, "DuPont") concerning PFAS contamination of the Company's Penns Grove water system. NJAWC subsequently filed a broader complaint against multiple aqueous film forming foam manufacturers, including 3M and DuPont entities. After the creation of the nationwide PFAS Multi-District Litigation ("MDL"), NJAWC's actions were consolidated with other public water system claims. Settlements were ultimately reached with 3M Company ("3M"), DuPont, Tyco Fire Products LP ("Tyco"), and BASF Corporation ("BASF"), all of which received final federal court approval in 2024.

According to the Company, the settlement allocation methodologies account for factors including the severity and cost of PFAS contamination and the number of customers served. NJAWC stated that it expects additional distributions over time, including annual payments from the 3M settlement, and anticipated one (1)-time payments from the DuPont, Tyco, and BASF settlements.

PETITION

At the time of filing, NJAWC reported receiving approximately \$46 million in net 3M settlement proceeds after litigation fees and costs.

By the Petition, NJAWC's proposed PLUS would establish a reusable mechanism to distribute net proceeds received by NJAWC from MDL settlements with PFAS manufacturers to eligible water customers through bill credits. The proposed tariff would apply the PLUS to general metered residential, commercial, industrial, municipal water service, and sale-for-resale customers throughout NJAWC's service territory, excluding fire service customers, who are active water customers at the time of the issuance of the credit.

The Company also stated that customers will be able to view the credit on their bill and that a bill message or insert will explain the source of the credit. NJAWC asserted that the PLUS provides a rapid, transparent, and administratively efficient means of returning litigation proceeds rather than delaying customer benefit until a future base rate proceeding.

STIPULATION

Following a review of the Petition, conducting discovery, and settlement discussions, the Parties executed the Stipulation, the key elements of which are as follows:¹

8. As of June 30, 2026, NJAWC received \$79,514,247 in MDL proceeds, including interest. NJAWC will distribute these proceeds to customers over a twelve (12)-month period as described in the Stipulation.
9. As of June 30, 2026, NJAWC's water customers, excluding fire, totaled 670,405. Accordingly, the Company will issue a monthly PLUS credit of \$9.88 to the bill of each water customer throughout its service territory as of June 30, 2026 for the twelve (12) months following the Board's order in this matter.
10. The Parties recognize that there will be a residual amount of MDL proceeds following the return to customers as described in Paragraph 9 of the Stipulation. NJAWC will continue to accrue interest on this amount, which will be returned pursuant to Paragraph 11 of the Stipulation.
11. MDL proceeds received after June 30, 2026, along with the residual proceeds described in Paragraph 10 of the Stipulation will be distributed on an annual basis as a one (1)-time credit to the bill of each active water customer at the time of the issuance of the credit in accordance with Rate Schedule O-3, under the PLUS calculation. The proposed revised Rate Schedule O-3 is attached to the Stipulation as Exhibit A.

¹ Although summarized 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 conclusions in this Order. Paragraphs are numbered to coincide with the Stipulation.

12. On an annual basis, NJAWC will file a compliance filing with the Board and Rate Counsel forty-five (45) days in advance of the next PLUS credit. As part of the compliance filing, NJAWC will detail the amount being returned to customers, identifying interest separately, and the number of customers receiving the credit.
13. In its subsequent base rate cases, NJAWC will file testimony reconciling the MDL proceeds returned to customers between rate cases. The Parties reserve their right to take any position on the reconciliation in those future proceedings.

DISCUSSION AND FINDINGS

Based on the Board's review and consideration of the record in this proceeding, including the Petition and the Stipulation, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. The Board therefore **HEREBY ADOPTS** the Stipulation in its entirety and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein.

The Board **HEREBY DIRECTS** NJAWC to file revised tariff sheets consistent with this Order by September 11, 2026, to become effective on September 15, 2026.

The Company's books, records, calculations, and distributions related to the PLUS shall remain subject to review and audit by the Board. This Decision and Order shall not preclude or prohibit the Board from taking any action determined to be appropriate as a result of such review or audit.

This Order shall be effective on September 9, 2026.

DATED: September 9, 2026

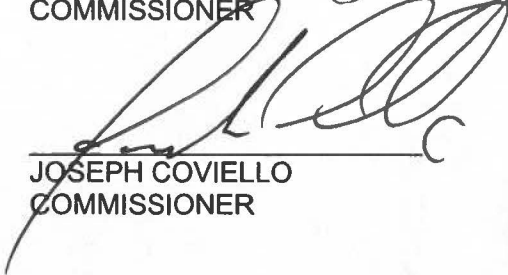
BOARD OF PUBLIC UTILITIES
BY:


BEN HERTZ-SHARGEL
PRESIDENT

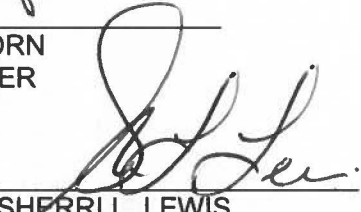

CHRISTINE GUHL-SADOVY
COMMISSIONER


MICHAEL BANGE
COMMISSIONER


EMMA REBHORN
COMMISSIONER


JOSEPH COVIELLO
COMMISSIONER

ATTEST:


SHERRI L. LEWIS
BOARD SECRETARY

IN THE MATTER OF THE PETITION OF NEW JERSEY-AMERICAN WATER COMPANY, INC. FOR APPROVAL
OF A PROPOSED RATE SCHEDULE TO DISTRIBUTE MULTIDISTRICT LITIGATION PROCEEDS TO
CUSTOMERS

BPU DOCKET NO. WR25110606

SERVICE LIST

New Jersey Board of Public Utilities

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August 27, 2026

Via Electronic Mail

Hon. Sherri L. Lewis, Secretary
Board of Public Utilities
44 S. Clinton Ave., 1st Floor
Trenton, N.J. 08625

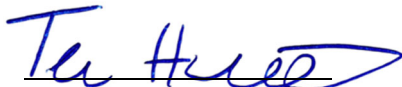
**Re: I/M/O the Petition of New Jersey-American Water Company, Inc. for
Approval of a Proposed Rate Schedule to Distribute Multidistrict Litigation
Proceeds to Customers
BPU Docket No. WR25110606**

Dear Secretary Lewis:

Enclosed herewith for the Board's consideration is a signed stipulation, representing the parties' settlement of the above-captioned matter.

Please do not hesitate to contact me should you have any questions or concerns.

Respectfully,


Teresa K. Harrold

TKH:dlc

Enc.

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

**I/M/O the Petition of New Jersey-American Water Company, Inc. for Approval of a
Proposed Rate Schedule to Distribute Multidistrict Litigation Proceeds to Customers
BPU Docket No. WR25110606**

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

IN THE MATTER OF THE PETITION OF : STIPULATION OF SETTLEMENT
NEW JERSEY-AMERICAN WATER :
COMPANY, INC. FOR APPROVAL OF A :
PROPOSED RATE SCHEDULE TO :
DISTRIBUTE MULTIDISTRICT :
LITIGATION PROCEEDS TO CUSTOMERS : BPU Docket No. WR25110606

APPEARANCES:

Teresa K. Harrold, Esq., Counsel, for Petitioner New Jersey-American Water Company, Inc.

Christine Juarez, Esq., Managing Attorney, Rate Counsel, on behalf of the Division of Rate Counsel (Brian O. Lipman, Director)

Meliha Arnautovic, Esq., Deputy Attorney General, on behalf of the Staff of the Board of Public Utilities (Jennifer Davenport, Attorney General of New Jersey)

**TO THE HONORABLE COMMISSIONERS OF THE NEW JERSEY BOARD OF
PUBLIC UTILITIES:**

On November 19, 2025, New Jersey-American Water Company, Inc. (“NJAWC” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking authority to adopt a PFAS Litigation Universal Surcredit (“PLUS”), under Rate Schedule O-3 in the Company’s Tariff for Water and Wastewater Service, B.P.U. No. 8, to distribute proceeds the Company receives from litigation against Perfluoroalkyl and Polyfluoroalkyl Substances (“PFAS”) manufacturers (“Petition”).

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

BACKGROUND AND PROCEDURAL HISTORY

1. On February 27, 2018, NJAWC filed suit against E.I. DuPont De Nemours & Co. and its subsidiary The Chemours Company (together with its current and former affiliates are

hereinafter referred to as “DuPont”) for their actions leading to contamination of the groundwater supply with PFAS in the Company's Penns Grove water system.¹ The suit involved a single count under the New Jersey Spill Act and was filed in the U.S. District Court of New Jersey seeking recovery of all past and future costs and attorneys’ fees, among other damages.

2. On July 1, 2020, DuPont filed a formal motion to transfer and consolidate this case with the aqueous film forming foam multi-district litigation (“MDL”) pending before the U.S. District Court for South Carolina against several major manufacturers of PFAS.² An MDL docket is comprised of multiple civil cases involving one (1) or more common issues in cases that are pending at the same time in different courts to promotes judicial efficiency. A settlement judge was appointed for the water utilities, both private and publicly owned, to evaluate the potential for settlement with PFAS primary and secondary manufacturers. These efforts resulted in settlements between the impacted water utilities and the following PFAS manufacturers:

- a. Dupont;
- b. 3M Company (“3M”);
- c. Tyco Fire Products LP (“Tyco”); and
- d. BASF Corporation (“BASF”).

3. The MDL settlement was reached with 3M and DuPont in March of 2024 and with Tyco and BASF in November 2024. These settlements have all been approved by the federal court. Documents and other material pertinent to the settlement agreements are available at the following website: <https://www.pfaswatersettlement.com/>.

¹ New Jersey-American Water Company, Inc. v. E.I. DuPont De Nemours & Co. and The Chemours Company, Docket No. 1:18-cv-02767 (D.N.J. 2018).

² In Re: Aqueous Film-Forming Foams Products Liability Litigation, MDL No. 2873, (J.P.M.L. 2020).

4. These settlements resolve the PFAS claims against DuPont, 3M, Tyco, and BASF. NJAWC also sought damages through the MDL from other PFAS manufacturers. This continued litigation may provide further compensation through future settlements or judgements.

5. On November 19, 2025, the Company filed the Petition seeking authority to adopt a PLUS, under Rate Schedule O-3 in the Company's Tariff for Water and Wastewater Service, B.P.U. No. 8, to distribute proceeds the Company receives from litigation against PFAS manufacturers ("MDL proceeds").

6. Following submission of the Petition, Rate Counsel and Staff served interrogatories on NJAWC, which were responded to in full by the Company.

7. As a result of a review of the Petition, discovery responses, and settlement discussions, the Parties reached a stipulation of settlement ("Stipulation"), the provisions of which are set forth below.

STIPULATION OF SETTLEMENT

8. As of June 30, 2026, NJAWC received \$79,514,247 in MDL proceeds, including interest. NJAWC will distribute these proceeds to customers over a twelve (12)-month period as described in more detail below.

9. As of June 30, 2026, NJAWC's water customers, excluding fire, totaled 670,405. Accordingly, the Company will issue a monthly PLUS credit of \$9.88 to the bill of each water customer throughout its service territory as of June 30, 2026 for the twelve (12) months following the Board's order in this matter.

10. The Parties recognize that there will be a residual amount of MDL proceeds following the return to customers as described in Paragraph 9. NJAWC will continue to accrue interest on this amount, which will be returned pursuant to Paragraph 11.

11. MDL proceeds received after June 30, 2026, along with the residual proceeds described in paragraph 10 will be distributed on an annual basis as a one (1)-time credit to the bill of each active water customer at the time of the issuance of the credit in accordance with Rate Schedule O-3, under the PLUS calculation. The proposed revised Rate Schedule O-3 is attached hereto as Exhibit A.

12. On an annual basis, NJAWC will file a compliance filing with the Board and Rate Counsel forty-five (45) days in advance of the next PLUS credit. As part of the compliance filing, NJAWC will detail the amount being returned to customers, identifying interest separately, and the number of customers receiving the credit.

13. In its subsequent base rate cases, NJAWC will file testimony reconciling the MDL proceeds returned to customers between rate cases. The Parties reserve their right to take any position on the reconciliation in those future proceedings.

14. This Stipulation shall be binding on the Parties upon approval hereof by the Board. This Stipulation shall bind the Parties in this matter only and shall not be considered precedential in any other proceeding involving the Parties hereto.

15. This Stipulation contains terms each of which are interdependent with the others and essential to the signing of this Stipulation. Each term is vital to the agreement, since the 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 Parties hereto is entitled to certain procedures described below.

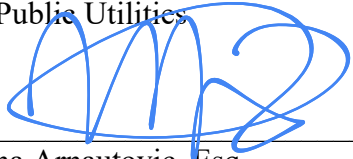
16. If any modification is made to the terms of this Stipulation, the Parties must be given the right to be placed in the position in which each Party was before this Stipulation was

executed. It is essential that each 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.

17. The Parties believe that these procedures are fair to all concerned and, therefore, they are made an integral and essential element of this Stipulation.

18. 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.

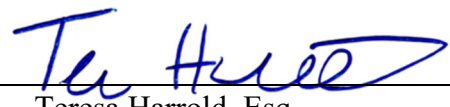
JENNIFER DAVENPORT
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the
Board of Public Utilities

By: 

Meliha Arnautovic, Esq.
Deputy Attorney General

Dated: .

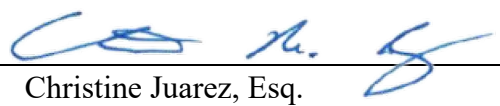
NEW JERSEY-AMERICAN WATER
COMPANY, INC.

By: 

Teresa Harrold, Esq.
Counsel

Dated: August 20, 2026

BRIAN O. LIPMAN, DIRECTOR
DIVISION OF RATE COUNSEL

By: 

Christine Juarez, Esq.
Managing Attorney, Rate Counsel

Dated: August 26, 2026

RATE SCHEDULE O-3
SOCIETAL PROGRAMS

CHARACTER

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

RATE

SPECIAL PROGRAM CHARGE (SPC)

Applicable to all water and wastewater customer classes served by the Company in all service areas taking water service under Rate Schedules A-1 through A-16 (GMS) and C, D, E, F, G, H, I, J, L-1 through L12, M-1 through M-12, and wastewater service under Rate Schedules 1-A through 19-A, and 21-A (non-GMS), except as for specifically provided elsewhere in this tariff.

In addition to all other charges for GMS and non-GMS water and wastewater service, an SPC charge will apply from June 1, 2024 through May 31, 2027 to recover incremental costs incurred during the COVID-19 pandemic.

The following charges will be assessed as follows commencing June 1, 2024, subject to annual reconciliation:

<u>GMS</u> <u>Rate Per 1,000 Gallons</u>	<u>Non-GMS</u> <u>Fixed Charge Per Month</u>
\$0.0551	\$0.99

PFAS LITIGATION UNIVERSAL SURCREDIT ("PLUS")

Applicable to general metered residential, commercial, industrial, municipal water service and Sale for Resale customers throughout the entire service territory, excluding fire service customers.

In addition to all other charges for water service, a PLUS credit will appear on customers' bills after the Company's receipt of proceeds from settlement of the Company's PFAS multi-district litigation ("MDL") consistent with the Board's order at Docket No. WR25110606 based on the following calculation using the total active water customer count, excluding fire service customers:

$$\text{PLUS} = \text{MDL proceed dollars} / \text{Total Water Customer Count}$$

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: _____

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. WR25110606 dated _____.