

NOTICE OF PUBLIC HEARING

NEW JERSEY-AMERICAN WATER COMPANY, INC.
NOTICE OF FILING OF A PETITION FOR APPROVAL OF FOR APPROVAL OF
PROPOSED COST RECOVERY OF LEAD SERVICE REPLACEMENT PLAN
BPU Docket No. WR22010017

PLEASE TAKE NOTICE that on January 14, 2022, New Jersey-American Water Company, Inc. (the “Company”) filed a Petition with the Board of Public Utilities (the “Board” or “BPU”) of the State of New Jersey seeking approval of its cost recovery plan for the replacement of Company and customer side lead service lines, pursuant to N.J.S.A. 48:2-13, 48:2-16, 48:2-21, and 58:12A-45 and N.J.A.C. 14:1-5.12. As part of the Petition, NJAWC included a plan to replace lead service lines in its service territory and for associated cost recovery (“LSLR Plan”). The LSLR Plan includes replacement of customer-owned lead service lines, including goosenecks and galvanized as required by the LSLR Law (together, “LSLs”) in conjunction with main replacement and relocation projects using the Company’s prioritization model previously reviewed in prior filings with the Board, as well as through other means as the replacement program progresses over the next 10 years.

Following the Board’s approval of this LSLR Plan on October 12, 2022, the Company made its first semi-annual filing with the Board on November 30, 2022, setting forth the total amount of project costs incurred in connection with the replacement of customer-owned LSLs from July 1, 2020 through October 31, 2022.

PLEASE TAKE FURTHER NOTICE that due to the COVID-19 pandemic, virtual public comment hearings on the petition have been scheduled for **February 2, 2023**, as follows:

4:30 P.M.

Dial in to **1-862-294-2638** and enter conference ID: **602 945 799#**, or join by video conference at **<https://bit.ly/3GjC2WO>** via the internet.

5:30 P.M.

Dial in to **1-862-294-2638** and enter conference ID: **479 138 712#**, or join by video conference at **<https://bit.ly/3GhcXRd>** via the internet.

The virtual public comment hearings will be presided over by a hearing officer designated by the Board. Representatives of the Company, Board Staff and the New Jersey Division of Rate Counsel will participate in the virtual public hearings.

Whether or not you attend the virtual public hearings, written and/or electronic comments may be submitted to the Board. While all comments will be given equal consideration and will be made part of the final record of this proceeding, the preferred method of transmittal is via the Board's [Public Document Search](#) tool. Search for the docket number WR22010017, and post by utilizing the "Post Comments" button. Emailed comments may also be filed with the Secretary of the Board, in pdf or Word format, to board.secretary@bpu.nj.gov. Written comments may also be submitted to the attention of the Honorable Carmen Diaz, Acting Secretary at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350. Persons submitting written comments should include Docket No. WR22010017 in their submissions.

Notice of the Petition was served on the clerk, executive or administrator of each municipality and county within the Company's service area. Such notice has also been served, together with the Verified Petition and all exhibits, upon the Director of the Division of Rate Counsel, who will represent the interests of ratepayers in this proceeding. Copies of the Company's petition and first surcharge filing are available for inspection at the offices of NJAWC located at 1 Water Street, Camden, New Jersey 08102, or on NJAWC's website at www.newjerseyamwater.com by first selecting Customer Service and Billing and then Your Water and Wastewater Rates. Copies may also be obtained by calling Denise Free, Sr. Director of Communications and External Affairs, NJAWC, 856-955-4874. Further information and copies

of the petition and first surcharge filing may also be obtained at the Board's Offices located at 44 South Clinton Avenue, 9th Floor, Trenton, NJ 08625. Any members of the public who wish to inspect the petition at the Board should contact the Board's Division of Case Management at 609-292-0806 or board.secretary@bpu.nj.gov.

The semi-annual filing with the Board on November 30, 2022 sets forth the total amount of project costs incurred in connection with the replacement of customer-owned LSLs from July 1, 2020 through October 31, 2022 ("Initial Surcharge Period"). Although not being collected as a result of this first semi-annual filing, this filing also provides project costs estimated to be incurred annually in connection with the replacement of customer-owned LSLs for the remainder of the first five (5) years of the LSLR Plan approved by the Board (each six month period, hereinafter a "Subsequent Surcharge Period"). The total amount to be recovered through each surcharge will also include carrying costs based on the Company's embedded cost of long-term debt authorized by the Board in the Company's rate proceeding applicable to the period during which costs were incurred and updated accordingly when new base rate case proceedings occur.

The monthly LSLR surcharge will be assessed to the following rate schedules: Rate Schedules A-1 through A-16 ("GMS"); and Rate Schedule F- OIW, Rate Schedules E, H, I, J, Rate Schedules C and D – Commodity Demand, Rate Schedule G- SOS, and Rate Schedules L-1 through L-12 – Private Fire Service (collectively, "non-GMS").

The average monthly bill impact for the project costs associated with replacing customer-owned LSLs will vary depending on the actual amount of expense incurred during the replacement period. For the Initial Surcharge Period, which will be effective no later than February 13, 2023, the proposed monthly surcharge for GMS customers is \$0.1643 per thousand gallons. For the average customer who uses 5,520 gallons per month, the surcharge will be \$0.91; while the

proposed monthly surcharge for non-GMS customers will be \$12.02. The actual amount charged to GMS customers will vary based on actual usage. The estimated range of the average monthly bill impact for each Subsequent Surcharge Period is also set forth in this filing. Assuming the high range of replacement each year, the estimated average monthly impact can vary from \$0.58 to \$21.24 depending on a variety of factors, including applicable rate schedule, customer count, usage and the actual project costs incurred. In its surcharge filings, the Company will only seek cost recovery of the actual project costs incurred in connection with the replacement of customer-owned LSLs.

Any relief determined by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers of the Company in such manner and, in such amounts or percentages, as the Board may deem appropriate. The Board may choose to impose a greater portion of the increase on any present or future class or classes, group or groups of customers, may exclude from any increase any of the foregoing, or may vary the amount of percentage increase applicable to any of the foregoing.

IN ORDER TO ENCOURAGE FULL PARTICIPATION IN THIS OPPORTUNITY FOR PUBLIC COMMENT, PLEASE SUBMIT ANY REQUESTS FOR NEEDED ACCOMMODATIONS AT LEAST 72 HOURS PRIOR TO THE HEARING TO DENISE FREE, SR. DIRECTOR OF COMMUNICATIONS AND EXTERNAL AFFAIRS, NJAWC, 856-955-4874, DENISE.FREE@AMWATER.COM.

NEW JERSEY AMERICAN WATER COMPANY, INC.

BY: MARK K. MCDONOUGH
PRESIDENT

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