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In a world where everything we touch frequently changes, water is our constant. We've never stopped needing it to drink, to cook, to clean, to live. We'll always need it for sanitation, for fire protection, for watering our lawns and washing our cars.

It's easy to take water for granted. And because so many do, we don't.

We are scientists, environmentalists, innovators, and protectors. We are also residents and employees in the communities we serve. We understand how important, how precious, and how critical water is to daily life.

**WE CARE ABOUT WATER.  
IT'S WHAT WE DO.**

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AMW83i



# Water Rate Information



NEW JERSEY  
AMERICAN WATER



Learn more about  
purchased water  
and sewage  
treatment charges

Effective October 22, 2008, the New Jersey Board of Public Utilities (NJBPU) approved a change in New Jersey American Water's purchased water and purchased sewage treatment adjustment clause charges.

#### **Purchased Water Adjustment Clause (PWAC)**

New Jersey American Water purchases water from a number of water service providers to supplement its own surface water and groundwater supplies. While we take steps to minimize the amount of water we purchase, these supplies are critical to providing a reliable source of water supply for our customers. The Purchased Water Adjustment Clause (PWAC) is considered a pass-through charge, which enables the company to recover the costs related to purchasing water. The rates we are charged by other water service providers increase periodically to reflect their increased costs to produce and/or deliver the water they sell to us. As a result, the PWAC is reset on an annual basis and is adjusted to reflect current costs. Because we are a regulated water utility, we filed with the NJBPU to increase the PWAC to recover our costs in May 2008. The NJBPU made its determination and, effective October 22, New Jersey American Water's PWAC will increase from \$0.3458 to \$0.3675 per thousand gallons – or approximately \$1.80 per year for the average residential customer. The total PWAC is reflected in a separate charge on your water bill, called "PWAC".

#### **Purchased Sewerage Treatment Adjustment Clause (PSTAC)**

New Jersey American Water provides sewer (wastewater) services in Ocean City, the Adelphia section of Howell Township and Lakewood Township. Like the PWAC, the PSTAC is a pass-through charge for sewage treatment costs. The PSTAC reflects the costs that New Jersey American Water pays to local wastewater treatment authorities for treating wastewater in areas where we operate and maintain the sewer pipelines or collection system.

Year to year, the PSTAC is reset and may increase or decrease depending on different factors, including the amount of wastewater sent to the sewage treatment plants and the authorities' costs associated with treating the sewage. The NJBPU approved the following changes to the PSTAC, effective October 22, for the PSTAC year April 1, 2008 through March 31, 2009:

- **Sewer customers in Adelphia:** The PSTAC will decrease \$0.3671 per thousand gallons.
- **Sewer customers in Lakewood Township:** no change to the current charge.
- **Sewer customers in Ocean City:** The PSTAC will increase \$1.7361 per thousand gallons. The overall PSTAC represents approximately 72 percent of the Sewer Service Charge portion of your bill.

The fiscal year for the PWAC and PSTAC runs from April 1 through March 31. Depending on when the company files for the rate change and when the adjusted rates are approved by the NJBPU, the recovery of any increases or decreases in the PWAC and/or PSTAC costs may need to be compressed into the remaining months of the PWAC or PSTAC fiscal year. For example, in May 2008, New Jersey American Water filed its request with the NJBPU for the changes in PWAC and PSTAC, to be effective April 1, 2008 through March 31, 2009. The request was approved by the NJBPU in October, with new rates effective October 22. That means the company has not been recovering the increase in costs associated with the PWAC and PSTAC from April 1 through October 22. As a result, the total increase in costs for the entire fiscal year must be recovered between October 22, 2008 and March 31, 2009.

For more information about New Jersey American Water's rates, visit [www.newjerseyamwater.com](http://www.newjerseyamwater.com). Under the "Customer Service" menu, select "Rates Information." Additional information on the PWAC and PSTAC can be found in New Jersey American Water's tariff on sheet number 65 for PWAC and sheet numbers 81-83, 86-87 and 89-90 for PSTAC.