



November 9, 2023

Via Email

Hon. Sherri L. Golden, Secretary
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, NJ 08625-0350

**Re: In the Matter of the Petition of New Jersey-American Water
Company, Inc. for Approval to Change the Levels of its Purchased
Water Adjustment Clause and Purchase Wastewater Treatment
Clause
BPU Docket No. WR2311_____**

Dear Secretary Golden:

On behalf of New Jersey-American Water Company, Inc., enclosed please find the
Petition, Testimony and Schedules for filing in the above-referenced matter.

Very truly yours,


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. to
Change the Levels of its Purchased Water Adjustment Clause and
Purchased Wastewater Treatment Adjustment Clause
BPU Docket No. WR2311XXXX**

Service List

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Dr. Ben Witherell, Chief Economist
Board of Public Utilities
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**I/M/O the Petition of New Jersey American Water Company, Inc. to
Change the Levels of its Purchased Water Adjustment Clause and
Purchased Wastewater Treatment Adjustment Clause
BPU Docket No. WR2311XXXX**

Service List

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New Jersey American Water
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Camden, NJ 08102

Jamie Hawn
Director of Rates & Regulatory
New Jersey American Water
1 Water Street
Camden, NJ 08102

Oleg Kostin
Director of Operations
New Jersey American Water
167 John F. Kennedy Parkway
Short Hills, NJ 07078

Donna Carney
Principal Paralegal
New Jersey American Water
149 Yellowbrook Road
Farmingdale, NJ 07727

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

IN THE MATTER OF THE PETITION OF : BPU Docket No. WR2311 ____
NEW JERSEY-AMERICAN WATER :
COMPANY, INC. FOR AUTHORIZATION TO :
CHANGE THE LEVEL OF ITS PURCHASED : **PETITION**
WATER ADJUSTMENT CLAUSE AND :
PURCHASED WASTEWATER TREATMENT :
ADJUSTMENT CLAUSE :

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

Petitioner, New Jersey-American Water Company, Inc. (“NJAWC”), a public utility corporation of the State of New Jersey, with its principal office at 1 Water Street, Camden, New Jersey 08102, hereby petitions the Board of Public Utilities (“Board”) of the State of New Jersey, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:9-7.1 et seq., and such statutes, regulations and Board orders that may be deemed by the Board to be applicable, for approval to change the levels of its existing purchased water adjustment charges and purchased wastewater treatment adjustment charges. The proposed rates in this Petition would decrease annual revenues by \$1,539,423 or -0.18%. In support of this Petition, NJAWC states as follows:

1. NJAWC is a regulated public utility corporation engaged in the production, treatment and distribution of water, and collection and treatment of wastewater within its defined service territory within the State of New Jersey. Said service territory includes portions of the following counties: Atlantic, Bergen, Burlington, Camden, Cape May, Essex, Gloucester, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Salem, Somerset, Union and Warren. As of December 31, 2022, NJAWC serves approximately 662,000 metered water and fire service customers and 53,200 sewer service customers.

2. At the present time, NJAWC purchases water on a routine basis from six separate entities and purchases wastewater treatment services from three separate entities, each of which adjusts its rates for service, and, in the case of wastewater treatment service providers, issues wastewater deficit/credit adjustments, at different times throughout the year. The six water purveyors are: Passaic Valley Water Commission (“PVWC”); Morris County Municipal Utilities Authority; Montclair Water Bureau; New Jersey Water Supply Authority (“NJWSA”); City of Newark; and Borough of Florham Park. The three wastewater treatment purveyors are: Cape May County Municipal Utilities Authority (“CMCMUA”) for the Company’s Ocean City Sewer tariff group; Ocean County Utilities Authority (“OCUA”) for the Company’s Lakewood Sewer tariff group; and Howell Township for the Company’s Adelphia Sewer tariff group. True and correct copies of the contracts for purchased water and purchased wastewater treatment are annexed to this Petition as Appendix A.¹

3. In NJAWC’s base rate case at BPU Docket No. WR06030257, the Board ordered that all purchased water adjustment costs and purchased wastewater treatment costs be removed from the Company’s base rates and recovered through the Purchased Water Adjustment Clause (“PWAC”) and Purchased Wastewater Treatment Adjustment Clause (“PSTAC”), as appropriate. (Order dated April 2, 2007, BPU Docket No. WR06030257, slip op. at 5.)

4. In that same docket, the Board ordered that these clauses will be subject to deferred accounting, pursuant to N.J.A.C. 14:9-7.1 et seq., and that all purchased water adjustment costs and all purchased wastewater treatment adjustment costs will be recovered through these clauses, as is appropriate. (Order dated April 2, 2007, BPU Docket No. WR06030257, slip op. at 5.)

¹ NJAWC has redacted the locations of points of delivery and interconnection in the purchase agreements for security reasons.

5. In that same docket, the Board ordered that NJAWC make annual filings for the recovery of these costs in accordance with the Board's rules and regulations pursuant to N.J.A.C. 14:9-7.1, et seq. (Order dated April 2, 2007, BPU Docket No. WR06030257, slip op. at 5.)

6. The present Petition is filed in accordance with N.J.A.C. 14:9-7.1, et seq.

7. NJAWC's current PWAC and PSTAC rates were established in BPU Docket No. WR222110693, by an Order dated April 26, 2023, with rates effective May 1, 2023. By virtue of that Order, NJAWC's PWAC rate was established at \$0.5477 per thousand gallons of water as reflected in the Company's Tariff BPU No. 8, on PWAC Rate Schedule O-1.

8. The PWAC is not applicable to customers receiving private or public fire protection, since these customers do not receive metered water consumption services.

9. By that same Order, the Company's PSTAC rates were addressed as follows:

- For customers in Lakewood Township, Ocean County, the rate per thousand gallons of monthly usage (based upon winter usage - January, February and March meter readings) reflected on PSTAC Rate Schedule 2-B, was set at \$4.6191 per thousand gallons.
- For customers in Ocean City, Cape May County, the rate per thousand gallons of prior year's summer quarter water usage (July, August and September meter readings) reflected in the Company's PSTAC Rate Schedule 1-B, was set at \$33.7033 per thousand gallons.
- For customers in the Adelphia system in Howell Township, Monmouth County, the rate per thousand gallons of monthly water usage, reflected in PSTAC Rate Schedule 3-B, was set at \$6.9196 per thousand gallons.

10. NJAWC proposes a decrease to its PWAC rate of \$0.5477 per thousand gallons of water to a new PWAC rate of \$0.5242 per thousand gallons of water, as set forth within its present PWAC Rate Schedule O-1. The Company proposes to address its PSTAC charges as follows:

- For Lakewood Township, Ocean County, the rate per thousand gallons as reflected within PSTAC Rate Schedule 2-B will change from \$4.6191 per thousand gallons to \$4.2610 per thousand gallons.

- For customers in Ocean City, Cape May County, the rate per thousand gallons of prior year's summer water quarter usage (July, August and September meter readings) as reflected upon PSTAC Rate Schedule 1-B, will change from \$33.7033 per thousand gallons to \$34.9441 per thousand gallons.
- For customers in the Adelpia section of Howell Township, Monmouth County, the rate per thousand gallons of water as reflected upon PSTAC Rate Schedule 3-B, will change from \$6.9196 per thousand gallons to \$6.9398 per thousand gallons.

11. If implemented as proposed, the PWAC rate of a typical residential customer utilizing 66,240 gallons of water per year would result in a \$0.13 decrease in the average monthly bill.

12. The PSTAC rate increase/decrease for a typical residential wastewater treatment service customer in Lakewood Township, Ocean County utilizing 16,560 gallons of water in the winter quarter, would result in a decrease in the average monthly bill of \$1.98 or 3.03%; the PSTAC rate increase for a typical residential wastewater treatment service customer in Ocean City, Cape May County utilizing 16,560 gallons of water in the summer quarter and 66,240 gallons of water per year, would result in an increase in the average monthly bill of \$1.71 or 2.19%; the PSTAC rate increase for a typical residential wastewater treatment service customer in the Adelpia section of Howell Township, Monmouth County utilizing 66,240 gallons of water per year, would result in an increase in the average monthly bill of \$0.11 or 0.14%.

13. Attached hereto and incorporated herein is the following testimony:

- Direct Testimony of Jamie D. Hawn, Senior Manager of Rates and Regulatory, New Jersey-American Water Company, Inc., Exhibit PT-1
- Direct Testimony of Oleg Kostin, Director of Operations, New Jersey-American Water Company, Inc., Exhibit PT-2

14. Ms. Hawn's testimony addresses, *inter alia*, historic water supply purchases and historic purchased water costs incurred by NJAWC, and historic PWAC revenue recovered by

NJAWC during the year ending March 31, 2024; historic purchased wastewater treatment costs and historic PSTAC revenue recovered by NJAWC during the year ending March 31, 2024; projected PWAC and PSTAC costs and revenues for the year ended March 31, 2025; and a true up reconciliation of actual purchased water and purchased wastewater treatment costs, versus PWAC and PSTAC revenues for the year ending March 31, 2023, and the calculation of interest thereon, as applicable. Ms. Hawn's testimony also provides a rate calculation for the PWAC and PSTAC rates for the year ending March 31, 2025. Finally, Ms. Hawn's testimony supports the proposed PWAC and PSTAC Tariffs.

15. Mr. Kostin's testimony addresses projected PWAC volumes and cost recoveries for the year ending March 31, 2025.

16. With respect to N.J.A.C. 14:9-7.3(a), the Company's total purchased water expense for the year ending March 31, 2024, amounts to \$37,600,404 and its purchased wastewater treatment expense for the same period amounts to \$19,621,764, whereas the total Company operating and maintenance expense for the 2022 calendar year was \$279,300,164. Accordingly, NJAWC's total purchased water and wastewater treatment cost exceeds 10% of the total amount of its operating and maintenance expense.

17. In accordance with the provisions of N.J.A.C. 14:9-7.6(b)(1), attached to this Petition as Appendix A and discussed in the direct testimony of Ms. Hawn are true and correct copies of the contracts for the purchase of water and the contracts for the purchase of wastewater treatment.² The contracts for the purchase of water are also discussed in the direct testimony of Mr. Kostin.

² As noted above, NJAWC has redacted the location of points of delivery and interconnection from the agreements for security reasons.

18. In accordance with the provisions of N.J.A.C. 14:9-7.6(b)(3), as of the conclusion of NJAWC's most recent base rate proceeding, BPU Docket No. WR22010019, NJAWC served approximately 660,000 water and fire service customers and 49,900 sewer service customers. The Order in that case was issued on August 17, 2022, and effective on August 24, 2022, and rates were effective September 1, 2022.

19. In accordance with N.J.A.C. 14:9-7.6(b)(4), the total actual volume of water (MGY) and purchased wastewater treatment (MGY) contained within and that underlie the NJAWC's current PWAC and PSTAC rates in NJAWC's most recent PWAC/PSTAC filing, BPU Docket No. WR22110693, were 61,604.1 MGY and 3,122.4 MGY, respectively. For calendar year 2022, the volumes are 61,994.3 MGY and 3,089.3 MGY, respectively.

20. In accordance with N.J.A.C. 14:9-7.6(b)(6) and N.J.A.C. 14:1-5.12, copies of the proposed PWAC and PSTAC tariff sheets are attached to the testimony of Ms. Hawn as Schedule JDH-A and Schedule JDH-B, respectively.

21. In accordance with N.J.A.C. 14:9-7.6(b)(7), a copy of the most recent Board Orders approving base rates and PWAC/PSTAC rates for NJAWC are attached to the testimony of Ms. Hawn.

22. In accordance with N.J.A.C. 14:9-7.6(b)(8), set forth in the testimonies of Mr. Kostin and Ms. Hawn are descriptions of NJAWC's efforts to investigate and negotiate with purveyors to ensure that charges are not such that they will hamper NJAWC's efforts to ensure that its rates are just and reasonable.

23. In accordance with N.J.A.C. 14:9-7.6(b)(9), the expenditures related to this filing, including those associated with the costs of the public notice and public hearings, will be provided upon request when incurred.

24. Notice of this filing, and the effect thereof, will be served by mail upon the clerks of municipalities within NJAWC's service area, upon the Clerks of the Boards of Chosen Freeholders within NJAWC's service area, and upon the County Executives within NJAWC's service area, at least 20 days prior to the date set for the public hearing, which notice shall include and specify the time and place of said hearing. A copy of the proposed form of notice is attached to this Petition as Exhibit A.

25. Customers will be notified of this filing and the effect thereof as well as the time and place of the public hearing by publication of Exhibit A, at least 20 days prior to the date set for the public hearing, in newspapers of general circulation within NJAWC's service territory.

26. Additionally, the Petition and applicable attachments as well as the Public Hearing Notice for this proceeding can be viewed on NJAWC's website at www.newjerseyamwater.com by first selecting Customer Service and then Your Water and Wastewater Rates.

27. Notice of this filing and a copy thereof has been served upon the Director, Division of Rate Counsel, via email as permitted by the Board in Docket No. EO20030254.

28. Notice of this filing and a copy thereof has been served upon the Department of Law & Public Safety via email as permitted by the Board in Docket No. EO20030254.

29. Proof of Service of the Notice as previously referred to herein will be filed with the Board.

30. NJAWC respectfully submits that the rates requested by it herein are just and reasonable in all respects.

WHEREFORE, Petitioner New Jersey-American Water Company, Inc. respectfully requests that the Board find and determine as follows:

1. That the proposed PWAC and PSTAC rates set forth in this Petition are just and reasonable; and
2. That NJAWC is entitled to such other and further relief as the Board may deem reasonable and proper under the circumstances represented to it in this case.

Respectfully submitted,

NEW JERSEY-AMERICAN WATER COMPANY, INC.

By: 
Christopher M. Arfaa

Dated: November 9, 2023

Notice to Petitioner
in this case should be sent to:

Christopher M. Arfaa, Esq.
Director, Corporate Counsel
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(856) 955-4116
chris.arfaa@amwater.com

Jamie D. Hawn
Director Rates and Regulatory
New Jersey-American Water Company, Inc.
1 Water Street
Camden, NJ 08042
(856) 955-4797
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NEW JERSEY-AMERICAN WATER COMPANY, INC.

NOTICE OF PUBLIC HEARINGS

NEW JERSEY-AMERICAN WATER COMPANY, INC. NOTICE OF FILING OF
PETITION FOR APPROVAL TO CHANGE THE LEVEL OF ITS
PURCHASED WATER ADJUSTMENT CLAUSE AND
PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE
BPU Docket No. WR2311XXXX

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that on November 9, 2023, New Jersey-American Water Company, Inc. (“Company”) filed with the New Jersey Board of Public Utilities (“Board”), pursuant to *N.J.S.A.* 48:2-21 and *N.J.A.C.* 14:9-7.1, *et seq.*, a petition seeking to change rates for water and sewer service through revisions to the Purchased Water and Purchased Wastewater Treatment Adjustment Clauses (“PWAC” and “PSTAC”, respectively). The proposed rates in the petition would decrease annual revenues by \$1,539,423, or 0.18%. The proposed changes in rates provide no profits to the Company. The rates represent the pass-through of charges from purveyors who provide water and wastewater treatment services to the Company. The proposed rates are further described in this Notice after the information regarding public comments.

PLEASE TAKE FURTHER NOTICE that virtual public comment hearings on the Company’s petition have been scheduled as follows:

FEBRUARY ____, 2024

4:30 P.M.

Dial in to **1-862-294-2638** and enter conference ID: _____#, or join by video conference at **https://bit.ly/_____** via the Internet.

5:30 P.M.

Dial in to **1-862-294-2638** and enter conference ID: D: _____#, or join by video conference at **https://bit.ly/_____** 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

EXHIBIT A

Division of Rate Counsel will participate in the virtual public hearings. Members of the public are invited to participate and express their views on the proposed rates. Such comments will be made a part of the final record in the proceeding.

Whether or not you attend the virtual public hearings, written 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 WR2311XXXX, and post by utilizing the "Post Comments" button. Comments may also be emailed to the Secretary of the Board, in pdf or Word format, at board.secretary@bpu.nj.gov. Written comments may also be mailed to the attention of the Honorable Sherri L. Golden, Secretary at the Board of Public Utilities, 44 South Clinton Avenue, 1st Floor, P.O. Box 350, Trenton, NJ 08625-0350. Persons submitting written comments should include Docket No. WR2311XXXX in their submissions.

IN ORDER TO ENCOURAGE FULL PARTICIPATION IN THIS OPPORTUNITY FOR PUBLIC COMMENT, PLEASE SUBMIT ANY REQUESTS FOR NEEDED ACCOMMODATIONS, INCLUDING INTERPRETERS OR MOBILITY ASSISTANCE, TO THE COMPANY 48 HOURS PRIOR TO THIS HEARING TO DENISE FREE, SENIOR DIRECTOR OF COMMUNICATIONS AND EXTERNAL AFFAIRS, NEW JERSEY-AMERICAN WATER COMPANY, INC. AT (856) 955-4874 or DENISE.FREE@AMWATER.COM.

PURCHASED WATER ADJUSTMENT CLAUSE (PWAC)

The existing rates for GENERAL METERED, GENERAL SALES FOR RESALE, COMMODITY-DEMAND, OFF-PEAK DEMAND, SERVICE TO OTHER SYSTEMS,

EXHIBIT A

PEAKING SERVICE, and OPTIONAL INDUSTRIAL WHOLESALE water customers served throughout the State of New Jersey, are proposed to be adjusted as follows.

In addition to all other charges for metered service, the following additional charges, per Rate Schedule O-1 of the Company’s Tariff B.P.U. No. 8, per 100 gallons and per 1,000 gallons, for all sales will be made to recover purchased water costs not currently recovered in the consumption charge or any other charge:

	<u>Gallons Per Month</u>	<u>Rate Per 100 Gallons</u>	<u>Rate Per 1,000 Gallons</u>
Non-Exempt	All	\$0.05242	\$0.5242
Exempt	All	\$0.04528	\$0.4528

SET FORTH IN THE CHART BELOW ARE THE PRESENT AND PROPOSED CHARGES FOR THE TYPICAL RESIDENTIAL WATER CUSTOMER CONSUMING 5,520 GALLONS PER MONTH AND THE RESULTING CHANGES:

	<u>Present Per Month</u>	<u>Proposed Per Month</u>	<u>Amount Change</u>	<u>Percentage Change</u>
Statewide - GMS	\$65.79	\$65.66	-\$0.13	-0.20%
Statewide - SFR	\$65.79	\$65.66	-\$0.13	-0.20%
Rate Schedule A-15	\$63.24	\$63.11	-\$0.13	-0.21%
Rate Schedule A-16	\$41.94	\$41.81	-\$0.13	-0.31%

PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC)

In addition to all other existing charges for General Metered Sewer Service in OCEAN CITY, CAPE MAY COUNTY the following PSTAC charges per 100 gallons and per 1,000 gallons, will be included within the Minimum Service Charge rates as set forth on Rate Schedule 1-A of the Company’s Tariff B.P.U. No. 8 – Sewer:

	<u>Gallons Per Month</u>	<u>Rate Per 100 Gallons</u>	<u>Rate Per 1,000 Gallons</u>
Non-Exempt and Exempt	All	\$3.49441	\$34.9441

THE TYPICAL RESIDENTIAL WASTEWATER SERVICE CUSTOMER IN OCEAN CITY WITH SUMMER QUARTER USAGE OF 16,560 GALLONS, 66,240 GALLONS ANNUALLY, PRESENTLY PAYING \$77.98 PER MONTH, WOULD PAY

EXHIBIT A

\$79.69 PER MONTH UNDER PROPOSED RATES, WHICH IS AN INCREASE OF \$1.71 OR 2.19%.

<u>Present</u> <u>Per Month</u>	<u>Proposed Per</u> <u>Month</u>	<u>Amount</u> <u>Increase</u>	<u>Percentage</u> <u>Increase</u>
\$77.98	\$79.69	\$1.71	2.19%

In addition to all other existing charges for General Metered Sewer Service in LAKEWOOD TOWNSHIP, OCEAN COUNTY, the following PSTAC charges per 100 gallons and per 1,000 gallons, for all sales will be made to recover purchased wastewater treatment and disposal costs not included in the Sewer Usage Charge or any other charges set forth on Rate Schedule 2-A of the Company’s Tariff B.P.U. No. 8 – Sewer:

	<u>Gallons Per</u> <u>Month</u>	<u>Rate Per</u> <u>100 Gallons</u>	<u>Rate Per</u> <u>1,000 Gallons</u>
Non-Exempt and Exempt	All	\$0.42610	\$ 4.2610

THE TYPICAL RESIDENTIAL WASTEWATER SERVICE CUSTOMER IN LAKEWOOD WITH WINTER QUARTER USAGE OF 16,560 GALLONS, 66,240 GALLONS ANNUALLY, PRESENTLY PAYING \$65.43 PER MONTH, WOULD PAY \$63.45 PER MONTH UNDER PROPOSED RATES, WHICH IS A DECREASE OF \$1.98 OR 3.03%.

<u>Present Per</u> <u>Month</u>	<u>Proposed Per</u> <u>Month</u>	<u>Amount</u> <u>Decrease</u>	<u>Percentage</u> <u>Decrease</u>
\$65.43	\$63.45	\$1.98	3.03%

In addition to all other existing charges for General Metered Sewer Service in the Adelphia section of the TOWNSHIP OF HOWELL, MONMOUTH COUNTY the following PSTAC charges per 100 gallons and per 1,000 gallons for all sales will be made to recover purchased wastewater treatment and disposal costs not included in the Sewer Usage Charge or any other charges set forth on Rate Schedule 3-A of the Company’s Tariff B.P.U. No. 8 – Sewer:

	<u>Gallons Per</u> <u>Month</u>	<u>Rate Per</u> <u>100 Gallons</u>	<u>Rate Per</u> <u>1,000 Gallons</u>
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Non-Exempt and Exempt	All	\$0.69398	\$6.9398
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THE TYPICAL RESIDENTIAL WASTEWATER SERVICE CUSTOMER IN HOWELL WITH USAGE OF 66,240 GALLONS ANNUALLY, PRESENTLY PAYING \$79.20 PER MONTH, WOULD PAY \$79.31 PER MONTH UNDER PROPOSED RATES, WHICH IS AN INCREASE OF \$0.11 OR 0.14%.

<u>Present Per Month</u>	<u>Proposed Per Month</u>	<u>Amount Increase</u>	<u>Percentage Increase</u>
\$79.20	\$79.31	\$0.11	0.14%

NO INCREASES ARE PROPOSED FOR PUBLIC OR PRIVATE FIRE PROTECTION SERVICE CUSTOMERS NOR ARE ANY INCREASES PROPOSED FOR ANY OF THE COMPANY’S FIXED SERVICE CHARGES OR DEMAND CHARGES APPLICABLE TO METERED WATER SERVICE.

Notice of the petition was served on the clerk, executive or administrator of each municipality and county in the service area of the Company. Further information and copies of the petition may be obtained at the Board of Public Utilities’ Offices located at 44 South Clinton Avenue, 1st Floor, Trenton, New Jersey 08625-0350. 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) 913-6298 or board.secretary@bpu.nj.gov. Additionally, the petition and applicable attachments as well as the Public Hearing Notice for this proceeding can be viewed on the Company’s website at www.newjerseyamwater.com by first selecting Customer Service and then Your Water and Wastewater Rates.

EXHIBIT A

Any relief determined by the Board of Public Utilities to be just and reasonable may be applied by the Board of Public Utilities in such manner as it may deem appropriate.

BY: MARK K. McDONOUGH
President

NEW JERSEY-AMERICAN WATER COMPANY, INC
1 Water Street
Camden, NJ 08102

BEFORE THE
STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF
NEW JERSEY-AMERICAN WATER COMPANY, INC.
FOR AUTHORIZATION TO CHANGE THE LEVEL OF ITS
PURCHASED WATER ADJUSTMENT CLAUSE AND
PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE

BPU Docket No. WR2311_____

Direct Testimony of

Jamie D. Hawn

Exhibit PT-1

NEW JERSEY-AMERICAN WATER COMPANY, INC.
Direct Testimony of Jamie D. Hawn

1 **1. Q. Please state your name and business address.**

2 A. My name is Jamie D. Hawn, and my business address is 1 Water Street, Camden, New Jersey
3 08102.

4 **2. Q. By whom are you employed and in what capacity?**

5 A. I am employed by American Water Works Service Company, Inc. (“Service Company”)
6 as the Director of Rates and Regulatory for New Jersey-American Water Company, Inc.
7 (“NJAWC,” “New Jersey-American Water” or the “Company”).

8 **3. Q. What are your responsibilities in this position?**

9 A. My responsibilities as Director of Rates and Regulatory include: 1) leading rates and
10 regulatory activity for the Company, including coordinating with finance, engineering, and
11 legal; 2) supporting the Company in regulatory proceedings, such as rate change
12 applications; 3) preparing rate analyses and studies to evaluate the effect of proposed rates
13 on the revenues, rate of return, and tariff structures; 4) executing the implementation of
14 rate orders, including development of the revised tariff pricing necessary to produce the
15 authorized revenue level; 5) overseeing the preparation of revenue and capital requirements
16 analyses; 6) providing support for financial analyses, including preparing applicable
17 regulatory commission filings; and 7) ensuring compliance with Generally Accepted
18 Accounting Principles (“GAAP”), regulatory requirements, and Company policies.

19 **4. Q. Please describe your educational background and business experience.**

20 A. Please refer to Appendix A for a summary of my educational background and business
21 experience.

NEW JERSEY-AMERICAN WATER COMPANY, INC.
Direct Testimony of Jamie D. Hawn

1 **5. Q. Have you previously testified before regulatory bodies?**

2 A. Yes. I have testified before the public utility regulatory commissions in New York,
3 Pennsylvania, West Virginia and New Jersey. I filed testimony and exhibits before the
4 New Jersey Board of Public Utilities (“BPU” or the “Board”) in the Company’s Purchased
5 Water Adjustment Clause (“PWAC”) and the Purchased Wastewater Treatment
6 Adjustment Clause (“PSTAC”) proceedings, docketed as BPU Docket Nos. WR18111241,
7 WR19111465, WR20110719, WR21111220, WR22110693 and in the Company’s base
8 case proceedings docketed as BPU Docket Nos. WR19121516 and WR22010019.

9 **6. Q. What is the purpose of your testimony in this proceeding?**

10 A. I will discuss the true-up that reconciles the actual costs of the Company’s purchased water
11 and wastewater treatment for the PWAC/PSTAC years ending March 31, 2023, and March
12 31, 2024, with the actual revenues from the PWAC and PSTAC charges that were in effect
13 for the same period. I will also support the water volumes purchased and the cost of
14 purchased water subject to the PWAC during the PWAC year ending March 31, 2024, and
15 will do the same regarding purchased wastewater treatment. Furthermore, I will discuss
16 the pro forma charges for the upcoming PWAC/PSTAC year ending March 31, 2025, and
17 how these charges were derived.

18 **7. Q. Please explain the effect of the Board Order in Docket No. WR06030257 on the way**
19 **the Company would recover purchased water costs and wastewater (“sewerage”)**
20 **treatment and disposal costs.**

NEW JERSEY-AMERICAN WATER COMPANY, INC.
Direct Testimony of Jamie D. Hawn

1 A. In NJAWC's rate proceeding, docketed as BPU Docket No. WR06030257, the Board
2 authorized the Company for the first time to: (1) recover its purchased water costs and
3 wastewater treatment and disposal costs in their entirety through the PWAC and PSTAC
4 Tariff schedules, respectively; and (2) submit thereafter annual PWAC and PSTAC rate
5 filings. Accordingly, 100% of its Board-authorized levels for these costs were included
6 for rate recovery under its PWAC and PSTAC Rate Schedules, while simultaneously being
7 eliminated from base rate recovery through the Company's base rate Tariff.

8 **8. Q. As a result of the Board's Order in BPU Docket No. WR06030257, how did the**
9 **Company treat the recovery of its purchased water costs and wastewater treatment**
10 **and disposal costs and the associated revenues in its most recent base rate case, BPU**
11 **Docket No. WR22010019?**

12 A. As a result of the rate treatment established by the Board in BPU Docket No. WR06030257,
13 with respect to purchased water and wastewater treatment costs, the Company excluded
14 from its pro forma statements all purchased water costs and purchased wastewater
15 treatment and disposal costs, as well as the revenues generated through the application of
16 the associated PWAC and PSTAC Rate Schedules in its last base rate case, BPU Docket
17 No. WR22010019 (the "2022 Rate Case"). A copy of the BPU Order from the 2022 Rate
18 Case is attached as Schedule JDH-13. The Company filed its 2023 PWAC/PSTAC, Docket
19 No. WR22110693 ("2023 PWAC/PSTAC"), on November 15, 2022. A copy of the BPU
20 Order from the 2023 PWAC/PSTAC is attached as Schedule JDH-14.

NEW JERSEY-AMERICAN WATER COMPANY, INC.
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1 This filing includes 100% of the Company's projected purchased water and wastewater
2 treatment and disposal costs and its projected PWAC and PSTAC revenues for the
3 PWAC/PSTAC Year ending March 31, 2024. The filing also includes a true-up between
4 the Company's actual PWAC/PSTAC costs and revenues for the year ended March 31,
5 2023 (*i.e.*, for the reconciliation period).

6 **9. Q. Is the Company providing copies of all of its contracts for purchased water and**
7 **purchased wastewater treatment?**

8 A. Yes, true and correct copies of all such contracts are attached to the Petition as Appendix A.

9 **PWAC**

10 **10. Q. Regarding the PWAC, what are the Company's costs for the year ending March 31,**
11 **2024?**

12 A. The Company's cost of purchased water totals \$37,600,404 and is depicted on Schedule
13 JDH-1 (Ln. 38). The purchased water expense reflects actual expenses for the period April
14 1, 2023, through September 30, 2023, and estimated expenses for the period October 2023
15 through March 2024. The estimated expenses are based on a 3-year average of actual
16 purchased water costs using the same months (October – March), that took place during
17 the years 2021 through 2023. The schedule depicts the actual vouchers received and paid,
18 along with estimated amounts that will be updated when known through the period ending
19 March 31, 2024. For this filing, that expense level was thereafter adjusted to eliminate all
20 accruals. Line 38 therefore reflects the adjusted purchased water expense for the 12 months
21 ending March 31, 2024. This amount is carried to the true-up Schedule JDH-2, line 19.

NEW JERSEY-AMERICAN WATER COMPANY, INC.
Direct Testimony of Jamie D. Hawn

1 **11. Q. What is the total volume of water purchased by the Company during the year ending**
2 **March 31, 2024, which is associated with the expense on Schedule JDH-1?**

3 A. The associated purchased water volume is 60,339,575, as detailed on Schedule JDH-
4 1a (Ln. 17).

5 **12. Q. Do these volumes represent the normal level of purchased water going forward?**

6 A. Actual purchases will vary depending upon system demands. Please refer to the testimony
7 of Company witness Oleg A. Kostin for a discussion of the Company's pro forma
8 purchased water volumes and cost for the year ending March 31, 2025.

9 **13. Q. Please explain the true-up that reconciles the difference between the PWAC costs for**
10 **the year ending March 31, 2024 and the estimated costs and revenues that were**
11 **authorized by the Board in the 2023 PWAC/PSTAC.**

12 A. Schedule JDH-2 reflects the reconciliation between the PWAC revenues billed and
13 recovered and the actual and updated estimated purchased water expense incurred during
14 the year ending March 31, 2024. The schedule depicts a cumulative PWAC over-recovery
15 of \$415,256 (Ln. 35), inclusive of accumulated interest in accordance with *N.J.A.C. 14:3-*
16 *13*. As shown, estimated non-exempt billed PWAC revenues for the year ending March
17 31, 2024, is \$44,452,375 (Ln. 4). Net of Gross Receipts and Franchise Tax ("GRFT"),
18 PWAC revenues were \$39,799,545 (Ln. 9); net of other cost recoveries authorized in the
19 2023 PWAC/PSTAC as detailed within Schedule JDH-2, total PWAC revenues for the
20 year ending March 31, 2024, were \$37,885,722 (Ln. 17), versus purchased water expenses
21 of \$37,600,404 (Ln. 19). As discussed previously, the purchased water costs (Ln. 19) are

NEW JERSEY-AMERICAN WATER COMPANY, INC.
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1 detailed on Schedule JDH-1. Where estimates are used, the data will be updated for actuals
2 as they become available.

3 **14. Q. Please explain the true-up shown on Schedule JDH-2a.**

4 A. Schedule JDH-2a reflects the reconciliation between the PWAC revenues billed and
5 recovered and the actual purchased water expense incurred during the year ending March
6 31, 2023. As the previous PWAC filing was effective May 1, 2023, actual expenses and
7 revenues for the true-up period ended March 31, 2023, were not available. Therefore,
8 Schedule JDH-2a shows the final calculations for this true-up period, in order to bring
9 forward the cumulative under-recovery of \$1,631,820 utilized in Schedule JDH-2 (Ln. 26).

10 **15. Q. What is the Company's pro forma purchased water charges for the upcoming year
11 ending March 31, 2025?**

12 A. The Company's pro forma costs are depicted on Mr. Kostin's Schedule OAK-1 and reflect
13 total purchased water costs of \$38,777,532.

14 **16. Q. Please explain Schedule JDH-3.**

15 A. Schedule JDH-3 depicts the calculation ("Regular Calc") of the PWAC rate associated with
16 the 12 months ending March 31, 2025. The total cost of \$38,362,276 (column 2, Ln. 7)
17 incorporates the pro forma purchased water costs from Schedule OAK-1 and the true-up
18 amount for year ending March 31, 2024, from Schedule JDH-2. The sum of these costs is
19 grossed-up to reflect additional incremental expenses associated with revenue assessments
20 including the most recent BPU and Rate Counsel assessment rates and the uncollectible
21 rate established in the Company's most recent base rate proceeding. The combined amount

NEW JERSEY-AMERICAN WATER COMPANY, INC.
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1 (Ln. 11) is divided by estimated total annual water sales subject to the PWAC (Ln. 13) to
2 arrive at the new PWAC rate (exempt) for the year ending March 31, 2025 (Ln. 15). The
3 non-exempt PWAC rate (Ln. 17) reflects the exempt rate as calculated above, grossed-up
4 for GRFT. The estimated water sales volumes utilized in this calculation are based on the
5 Company's average actual water sales from 2021, 2022 and 2023. Footnote 3 on Schedule
6 JDH-3 details those water sales volumes.

7 **17. Q. Has the Company compressed the PWAC rates?**

8 A. No, there is no compression in the rates at this time. The effective date for this filing is
9 anticipated to be April 1, 2024, which is the beginning of the pro-forma PWAC/PSTAC
10 year. Should the actual effective date change, the Company will determine the
11 compression calculation accordingly. The updated PWAC Tariff page is attached as
12 Schedule JDH-A.

13 **18. Q. With regard to the proposed PWAC for the Company's water utility operations, do**
14 **the Company's purchased water costs exceed ten percent of its total operating and**
15 **maintenance expenses?**

16 A. Yes.

17 **PSTAC**

18 **19. Q. Regarding the PSTAC, what are the Company's costs of purchased wastewater**
19 **treatment for the year ending March 31, 2024?**

20 A. The costs of purchased wastewater treatment totaled \$19,621,764 for the Company's three
21 sewer service Tariff areas. The purchased wastewater treatment costs reflect actuals,

NEW JERSEY-AMERICAN WATER COMPANY, INC.
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1 except estimated costs are utilized for the period October 2023 through March 2024. This
2 cost is detailed on Schedules JDH-4 (Ln. 23), JDH-6 (Ln. 22) and JDH-8 (Ln. 19).

3 **20. Q. Please explain the true-up that reconciles the difference between the purchased**
4 **wastewater treatment costs and the PSTAC revenues for the year ending March 31,**
5 **2024, for the reconciliation period.**

6 A. Separate schedules have been prepared for each of the three sewer service Tariff areas.
7 Schedules JDH-4, JDH-6 and JDH-8 are the Statements of Purchased Wastewater
8 Treatment operating expense as-adjusted for the year ending March 31, 2024, for the
9 Lakewood Sewer, Adelphia Sewer and Ocean City Sewer Tariff areas, respectively, while
10 Schedules JDH-5, JDH-7 and JDH-9 are the PSTAC true-up schedules for these respective
11 Tariff areas. The true-up schedules reflect the reconciliation between the PSTAC revenues
12 billed and recovered and the estimated purchased wastewater treatment costs incurred
13 during the 12 months ending March 31, 2024.

14 Schedule JDH-5, the true-up for Lakewood Sewer, reflects a net cumulative PSTAC over-
15 recovery of \$834,656 (Ln. 38). As shown therein, total billed revenues for the year ending
16 March 31, 2024, were estimated at \$7,482,849 (Ln. 4). When adjusted for the recovery of
17 other costs provided for in the Lakewood Sewer PSTAC charge for the 12 months ending
18 March 31, 2024, that is (i) Uncollectibles and BPU/Rate Counsel Expenses (Ln. 8); and
19 (ii) the PSTAC true-up over-recovery from the year ended March 31, 2023 (Ln. 12), the
20 total PSTAC revenue net of these cost recoveries is \$8,342,587 (Ln. 17), versus purchased

NEW JERSEY-AMERICAN WATER COMPANY, INC.
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1 wastewater treatment costs of \$7,549,022 (Ln. 19). The purchased wastewater treatment
2 costs (Ln. 19) are detailed on Schedule JDH-4, as previously indicated.

3 Schedule JDH-7, the true-up for Adelphia Sewer, reflects a net cumulative PSTAC over-
4 recovery of \$13,219 (Ln. 36). As shown therein, total billed PSTAC revenues for the 12
5 months ending March 31, 2024, were estimated at \$1,159,705 (Ln. 4). When adjusted for
6 the recovery of other costs provided for in the Adelphia Sewer PSTAC charge for the year
7 ending March 31, 2024, that is (i) Uncollectibles and BPU/Rate Counsel Expenses (Ln. 8);
8 the PSTAC true-up under-recovery from the 12 months ending March 31, 2023 (Ln. 12),
9 the total PSTAC revenue net of these cost recoveries is \$1,143,846 (Ln. 15), versus
10 purchased wastewater treatment costs of \$1,130,627 (Ln. 17). The purchased wastewater
11 treatment costs (Ln. 17) are detailed on Schedule JDH-6, as previously indicated.

12 Schedule JDH-9, the true-up for Ocean City Sewer, reflects a net cumulative PSTAC over-
13 recovery of \$81,568 (Ln. 35). As shown therein, total billed PSTAC revenues for the year
14 ending March 31, 2024, were estimated at \$10,838,227 (Ln. 4). When adjusted for the
15 recovery of other costs provided for in the Ocean City Sewer PSTAC charge for the 12
16 month ending March 31, 2024, that is (i) Uncollectibles and BPU/Rate Counsel Expenses
17 (Ln. 8); (ii) the PSTAC true-up over-recovery from the year ended March 31, 2023 (Ln.
18 11), the total PSTAC revenue net of these cost recoveries is \$10,950,260 (Ln. 15), versus
19 purchased wastewater treatment costs of \$10,942,114 (Ln. 17). The purchased wastewater
20 treatment costs (Ln. 17) are detailed on Schedule JDH-8, as previously indicated.

21 **21. Q. Please explain the true-ups shown on Schedules JDH-5a, JDH-7a, and JDH-9a.**

NEW JERSEY-AMERICAN WATER COMPANY, INC.
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1 A. Schedules JDH-5a, JDH-7a, and JDH-9a reflect the reconciliation between the PSTAC
2 revenues billed and recovered and the actual purchased sewage treatment expense incurred
3 during the year ended March 31, 2023. Therefore, the aforementioned three schedules
4 show the final calculations for this true-up period, in order to bring forward their respective
5 cumulative under/over-recoveries utilized in Schedules JDH-5, JDH-7, and JDH-9,
6 respectively.

7 **22. Q. What are the Company's pro forma purchased wastewater treatment costs for the**
8 **upcoming year ending March 31, 2025?**

9 A. The Company's costs are depicted on Schedule JDH-10 and reflect total pro forma
10 purchased wastewater treatment costs of \$19,798,634 (Ln. 36).

11 **23. Q. Please explain how these pro forma charges were derived.**

12 A. As depicted thereon, the pro forma costs represent 9/12^{ths} of the estimated annual charges
13 for calendar year 2024 as levied by the entities providing wastewater treatment and disposal
14 services to the Company, and 3/12^{ths} of estimated calendar year 2025 charges. The
15 Company has estimated the 2025 increases at 0.39%, 3.62%, and 1.35% from Howell
16 Township (Adelphia Sewer service), the Ocean County Utilities Authority "OCUA"
17 (Lakewood Sewer service) and the Cape May County Municipal Utilities Authority
18 "CMCMUA" (Ocean City Sewer service), respectively. The Company's estimate for
19 Adelphia Sewer Service reflects the estimated annual charges calculated for 2024 expenses
20 increased by 0.39% effective January 1, 2025, for the wastewater treatment costs payable

NEW JERSEY-AMERICAN WATER COMPANY, INC.
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1 to Howell Township. This estimated increase reflects the average increase in total expenses
2 for the calendar years 2022, 2023 and 2024.

3 The Company's estimate for Lakewood Sewer Service reflects the estimated 2024 charges,
4 with the 2024 rate multiplied by the 2023 estimated usage then increased by 3.62%. This
5 estimated increase reflects the three-year average increase in total expenses for the calendar
6 years 2021, 2022 and 2023. The Company's Ocean City Sewer Service 2024 amount is
7 based on the CCMUA's User Charge Rate Setting Report, then increased by 1.35%. This
8 estimated increase reflects the three-year average increase in total expenses for the calendar
9 years 2022 2023 and 2024. These estimates will be updated to actuals when available.

10 **24. Q. Please discuss the calculation of the updated PSTAC rates as detailed on Schedule**
11 **JDH-11.**

12 A. Schedule 11, page 1, depicts the calculation of the PSTAC rates associated with the new
13 year ending March 31, 2025. Individually, for each of the sewer service Tariff areas, the
14 pro forma purchased wastewater treatment from Schedule JDH-10 is combined with prior
15 PSTAC year true-up amounts from Schedules JDH-5, JDH-7 and JDH-9, respectively. The
16 combined cost is grossed-up to reflect additional incremental expenses associated with
17 revenue assessments (BPU and Rate Counsel) and uncollectibles, similar to the PWAC.
18 The grossed-up cost (Lns. 5, 12 and 19, respectively) is divided by the estimated total sewer
19 service sales subject to the PSTAC (Lns. 6, 13 and 20, respectively) to arrive at the new
20 PSTAC rates for the year ending March 31, 2025. The estimated sewer service sales
21 volumes utilized in these calculations for Adelpia are based on the Company's average

NEW JERSEY-AMERICAN WATER COMPANY, INC.
Direct Testimony of Jamie D. Hawn

1 sales for the calendar years 2021, 2022 and 2023 (see Schedule JDH-11, page 2, Note 2).
2 The estimated sewer service sales volumes utilized in these calculations for Ocean City are
3 based on the Company's average summer consumption over the months of July through
4 September for the calendar years 2021, 2022 and 2023 (see Schedule JDH-11, page 2, Note
5 3). The estimated sewer service sales volumes utilized in these calculations for Lakewood
6 are based on the Company's average winter quarter sales, annualized, for the years 2021,
7 2022 and 2023 (see Schedule JDH-11, page 2, Note 1).

8 **25. Q. Has the Company calculated the PSTAC rates for the three sewer districts on a**
9 **compressed basis?**

10 A. No, there is no compression in the rates at this time. The effective date for this filing is
11 anticipated to be April 1, 2024, the beginning of the pro-forma PWAC/PSTAC year.
12 Should the actual effective date of the PWAC and PSTAC rates change, the Company will
13 determine the compression calculation accordingly.

14 **26. Q. Regarding the proposed PSTAC for the Company wastewater utility operations, do**
15 **the Company's purchased wastewater treatment costs exceed ten percent of the sewer**
16 **service Tariff area's operating and maintenance expenses?**

17 A. Yes.

18 **27. Q. Have you attached a copy of the proposed Tariff pages to implement the proposed**
19 **PSTAC charges?**

20 A. Yes, they are attached as Schedule JDH-B.

NEW JERSEY-AMERICAN WATER COMPANY, INC.
Direct Testimony of Jamie D. Hawn

1 **28. Q. Has the Company worked to control the costs it incurs under its purchased water and**
2 **purchased wastewater treatment agreements?**

3 A. Yes, the Company supports a formal process to address future price increases. The
4 Company monitors known proposed rate increases by its water and wastewater authorities
5 and, where appropriate, reviews available financial and operating information which leads
6 to the need for such increases, propounds interrogatories, and attends public meetings
7 where applicable.

8 **29. Q. Based on your above testimony, what is the overall change you are proposing in this**
9 **petition?**

10 A. The proposed surcharge rates in this petition reflect a net decrease to annual revenues by
11 \$1,539,423 or -0.18%.

12 **30. Q. Does this conclude your testimony?**

13 A. Yes.

NEW JERSEY-AMERICAN WATER COMPANY, INC.
Direct Testimony of Jamie D. Hawn

APPENDIX A

1 **Educational Background and Professional Associations**

2 I am a 2001 graduate of Rowan University where I earned a Bachelor of Science Degree
3 in Business Administration with a specialization in Accounting. I have also attended the
4 Utility Rate School sponsored by the National Association of Regulatory Utility
5 Commissioners (“NARUC”).

6 **Business Experience**

7 Prior to my employment with Service Company, my work history included an accounting
8 internship with Alloy, Silverstein, Shapiro, Adams, Mulford & Co. in Cherry Hill, New
9 Jersey, an audit position with M.D. Oppenheim & Co., PC, in Cherry Hill, New Jersey, and
10 a staff accountant position with A.C. Moore Arts and Crafts, Inc. in Berlin, New Jersey. I
11 began my employment with the Service Company in September 2006 as a General Tax
12 accountant in the General Tax Department. My duties included developing, preparing and
13 maintaining the general tax account reconciliations for all American Water affiliates,
14 developing general tax Sarbanes-Oxley practices and policies, and making monthly closing
15 journal entries. In June 2007, I transferred to the role of Accountant in the General
16 Accounting/Financial Reporting Department. My duties included preparing quarterly and
17 annual financial reports, monthly closing financials, and monthly account reconciliations
18 for multiple regulated companies of American Water and Service Company. My
19 responsibilities also included external audit coordination and internal controls task
20 management. In October 2010, I transferred to the role of Supervisor in the Accounts
21 Payable Department and was responsible for overseeing the end-to-end operations and

NEW JERSEY-AMERICAN WATER COMPANY, INC.
Direct Testimony of Jamie D. Hawn

APPENDIX A

1 transaction processing of accounts payable for multiple regulated companies of American
2 Water. In October 2011, I transferred to the position of Financial Analyst II in Rates and
3 Regulation. In July 2013, I was promoted to Financial Analyst III. In January 2017, I was
4 promoted to Senior Manager in Regulatory Services where I supported rate applications
5 and other regulatory filings for American Water's West Virginia and Pennsylvania
6 operating companies. In August 2018, I became the Senior Manager of Rates and
7 Regulatory for New Jersey-American Water. Effective July 2023, I was promoted to
8 Director of Rates and Regulatory for New Jersey-American Water.

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

Seventh Revised Sheet: No. 40
Superseding Sixth Revised Sheet: No. 40

RATE SCHEDULE O-1
PURCHASED WATER ADJUSTMENT CLAUSE (PWAC)

APPLICABILITY

Applicable to all Metered Water Customer classes served by the Company in all service areas for water service, except for Manasquan Uninterruptible Service, and those customers subject to Rate Schedules I and J. The PWAC charge, as defined under the Standard Terms and Conditions of this tariff, is designed to recover the cost of purchased water associated with the normal operations of the Company and allow the Company to achieve a zero or near-zero deferred balance each April 1st on its purchased water costs.

CHARACTER OF SERVICE

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

PURCHASED WATER ADJUSTMENT CLAUSE (PWAC) CHARGE

In addition to all other charges for metered service, the following charges per one hundred gallons or per one thousand gallons for all sales will be made to recover purchased water costs not included in the Water Charge or any other Charge:

	<u>Gallons Per Month</u>	<u>Rate Per 100 Gallons</u>	<u>Rate Per 1,000 Gallons</u>
Non-Exempt	All	\$0.05242	\$0.5242
Exempt	All	\$0.04528	\$0.4528

The PWAC Charge is also applicable to any difference between the quantity of water actually purchased by the customer and any applicable take-or-pay commitment.

FILING

The Company shall endeavor to make an annual PWAC filing no later than December 1st of each year proposing a PWAC rate to be effective on or about the following April 1st.

The notice of filing and of public hearing in the annual PWAC proceedings shall include the specific rate change proposed to be implemented on April 1st. The notice shall also include the impact of such potential increases on a benchmark bill.

The annual PWAC filing shall contain, but not be limited to, the following:

1. A reconciliation of actual versus estimated costs and revenues from the last Board approved PWAC charge for purchased water;
2. Projected rates supported by projected volumes, revenues, and projected purchased water costs;
3. Deferred balances and the timeframe over which they are proposed to be collected or returned;
4. A written explanation of the circumstances that caused the deferred balances in (3) above;
5. A written explanation of any significant activities or trends which may affect costs for the prospective period; and
6. Updated tariff sheets to reflect any change to the PWAC rate.

The benchmark bill shall be the average residential water customer bill for a twelve-month period.

(Continued)

Issued: _____

Effective: April 1, 2024

By: Mark K. McDonough, President
One Water Street, Camden, NJ 08102
Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. WR2311XXXX dated XXXX, 2024.

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

Twentieth Revised Sheet: No. 47
Superseding Nineteenth Revised Sheet: No. 47

RATE SCHEDULE 1-B
PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC)

APPLICABILITY

Applicable to all Wastewater Service customer classes including general residential, commercial, industrial and municipal wastewater service in the City of Ocean City. The PSTAC charge, as defined under the Standard Terms and Conditions in this tariff, is designed to recover the cost of purchased wastewater treatment and disposal costs associated with the normal operations of the Company, and allow the Company to achieve a zero or near-zero deferred balance each April 1st on its purchased wastewater treatment and disposal costs.

CHARACTER OF SERVICE

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

PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC) CHARGE

The following are the PSTAC charges per one hundred gallons and per one thousand gallons that will be charged based on the Summer Quarter Consumption as defined in the Minimum Service Charge section of Wastewater-Rate Schedule 1-A to recover purchased wastewater treatment and disposal costs, but in no event will the consumption level for PSTAC be less than 7,480 gallons per year.

	<u>Gallons Per Month</u>	<u>Rate Per 100 Gallons</u>	<u>Rate Per 1000 Gallons</u>
Non-Exempt and Exempt	All	\$3.49441	\$34.9441

FILING

The Company shall endeavor to make an annual PSTAC filing no later than December 1st of each year, proposing a PSTAC rate or percentage to be effective on or about the following April 1st.

The notice of filing and of public hearing in the annual PSTAC proceedings shall include the specific rate change proposed to be implemented on April 1st. The notice shall also include the impact of such potential increases on a benchmark bill.

The annual PSTAC filing shall contain, but not be limited to, the following:

1. A reconciliation of actual versus estimated costs and revenues from the last Board approved PSTAC charge for wastewater treatment and disposal;
2. Projected rates supported by projected volumes, revenues, and projected purchased wastewater treatment and disposal costs;
3. Deferred balances and the timeframe over which they are proposed to be collected or returned;
4. A written explanation of the circumstances that caused the deferred balances in (3) above;
5. A written explanation of any significant activities or trends which may affect costs for the prospective period; and
6. Updated tariff sheets to reflect any change to the PSTAC rate.

The benchmark bill shall be the average residential wastewater customer bill for a twelve-month period.

TERMS OF PAYMENT

See Rate Schedule 1-A for applicable customer classes.

(Continued)

Issued: _____

Effective: April 1, 2024

By: Mark K. McDonough, President
One Water Street, Camden, NJ 08102
Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. WR2311XXXX dated XXXX, 2024.

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

Twelfth Revised Sheet: No. 49
Superseding Eleventh Revised Sheet: No. 49

RATE SCHEDULE 2-B
PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC)

APPLICABILITY

Applicable to all Wastewater Service customer classes including general residential, commercial, industrial and municipal wastewater service in the Statewide Wastewater Collection Area (Lakewood). The PSTAC charge, as defined under the Standard Terms and Conditions in this tariff, is designed to recover the cost of purchased wastewater treatment and disposal costs associated with the normal operations of the Company, and allow the Company to achieve a zero or near-zero deferred balance each April 1st on its purchased wastewater treatment and disposal costs.

CHARACTER OF SERVICE

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

PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC) CHARGE

In addition to all other charges for general metered service, the following charges per one hundred gallons and per one thousand gallons for all sales will be made to recover purchased wastewater treatment and disposal costs not included in the Sewer Usage Charge or any other Charge as set forth in Rate Schedule 2-A of the current Tariff:

	<u>Gallons</u> <u>Per Month</u>	<u>Rate</u> <u>Per 100 Gallons</u>	<u>Rate</u> <u>Per 1,000 Gallons</u>
Non-Exempt and Exempt	All	\$ 0.42610	\$4.2610

FILING

The Company shall endeavor to make an annual PSTAC filing no later than December 1st of each year, proposing a PSTAC rate or percentage to be effective on or about the following April 1st.

The notice of filing and of public hearing in the annual PSTAC proceedings shall include the specific rate change proposed to be implemented on April 1st. The notice shall also include the impact of such potential increases on a benchmark bill.

The annual PSTAC filing shall contain, but not be limited to, the following:

1. A reconciliation of actual versus estimated costs and revenues from the last Board approved PSTAC charge for purchased wastewater treatment and disposal;
2. Projected rates supported by projected volumes, revenues, and projected purchased wastewater treatment and disposal costs;
3. Deferred balances and the timeframe over which they are proposed to be collected or returned;
4. A written explanation of the circumstances that caused the deferred balances in (3) above;
5. A written explanation of any significant activities or trends which may affect costs for the prospective period; and
6. Updated tariff sheets to reflect any change to the PSTAC rate.

The benchmark bill shall be the average residential wastewater customer bill for a twelve-month period.

(Continued)

Issued: _____

Effective: April 1, 2024

By: Mark K. McDonough, President
One Water Street, Camden, NJ 08102
Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. WR2311XXXX dated XXXX, 2024.

RATE SCHEDULE 3-B
PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC)

APPLICABILITY

Applicable to all Wastewater Service customer classes including general residential, commercial, industrial and municipal wastewater service customers provided service by the Company's Adelpia System (service area of the former Adelpia Sewer Company) and other franchise areas within the Township of Howell in Monmouth County. The PSTAC charge, as defined under the Standard Terms and Conditions in this tariff, is designed to recover the cost of purchased wastewater treatment and disposal associated with the normal operations of the Company, and allow the Company to achieve a zero or near-zero deferred balance each April 1st on its purchased wastewater treatment and disposal costs.

CHARACTER OF SERVICE

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

PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC) CHARGE

In addition to all other charges for general metered service, the following charges per one hundred gallons and per one thousand gallons for all sales will be made to recover purchased wastewater treatment and disposal costs not included in the Sewer Usage Charge or any other Charge as set forth in Rate Schedule 3-A of the current Tariff:

	<u>Gallons</u> <u>Per Month</u>	<u>Rate</u> <u>Per 100 Gallons</u>	<u>Rate</u> <u>Per 1,000 Gallons</u>
Non-Exempt and Exempt	All	\$0.69398	\$6.9398

FILING

The Company shall endeavor to make an annual PSTAC filing no later than December 1st of each year, proposing a PSTAC rate to be effective on or about the following April 1st.

The notice of filing and of public hearing in the annual PSTAC proceedings shall include the specific rate change proposed to be implemented on April 1st. The notice shall also include the impact of such potential increases on a benchmark bill.

The annual PSTAC filing shall contain, but not be limited to, the following:

1. A reconciliation of actual versus estimated costs and revenues from the last Board approved PSTAC charge for purchased wastewater treatment and disposal;
2. Projected rates supported by projected volumes, revenues, and projected purchased wastewater treatment and disposal costs;
3. Deferred balances and the timeframe over which they are proposed to be collected or returned;
4. A written explanation of the circumstances that caused the deferred balances in (3) above;
5. A written explanation of any significant activities or trends which may affect costs for the prospective period; and
6. Updated tariff sheets to reflect any change to the PSTAC rate.

The benchmark bill shall be the average residential wastewater customer bill for a twelve-month period.

(Continued)

Issued: _____

Effective: April 1, 2024

By: Mark K. McDonough, President
 One Water Street, Camden, NJ 08102
 Filed pursuant to Order of the Board of Public Utilities entered in
 Docket No. WR2311XXXX dated XXXX, 2024.

New Jersey-American Water Company, Inc.
Statement of Actual Purchased Water Volumes (1000 Gallons) Associated with Actual Purchased Water Expense - PWAC Water Service

New Jersey-American Water Company, Inc.
BPU Docket No. WR23XXXXX
Witness Responsible: Jamie D. Hawn

Schedule JDH-1a
PWAC Filing Year: 4/1/2023 - 3/31/2024
Page 1

Line No.	Purchased Water	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
1														
2														
3	Vendor/Vendor (1,000 gallons)													
4	Borough of Florham Park	0	3	0	0	3	0	0	0	3	0	0	3	12
5	Morris County Municipal Utilities Authority	6,146	6,075	6,992	6,863	0	6,654	11,366	5,762	10,030	6,468	6,456	5,867	78,679
6	Montclair Water Bureau	6,976	7,989	0	8,909	19,782	8,618	7,946	7,350	5,661	6,227	5,935	5,965	91,358
7	City of Newark - Shaw/Selvage	0	6	16	10	29	0	20	8	10	12	10	14	135
8	NJWSA - Water - Manasquan	0	0	0	0	1,140,625	1,140,625	0	0	1,140,625	0	0	1,140,625	4,562,500
9	NJWSA - Raw Water - Manasquan	0	0	0	0	183,139	180,584	0	0	180,584	0	0	180,584	724,891
10	NJWSA - Overdrafts - Manasquan	0	0	0	0	0	0	117,899	0	0	0	0	0	117,899
11	Passaic Valley Water Commission - Water	0	253,020	188,570	580,980	0	421,327	1,296,923	259,632	254,622	296,570	280,357	262,867	4,094,868
12	NJWSA - Water - Raritan	3,924,600	3,798,000	3,924,600	3,777,586	3,924,600	3,924,600	3,798,000	3,924,600	3,798,000	3,924,600	3,924,600	3,671,400	46,315,186
13	NJWSA - Water - Raritan Legislative Grant	90,210	87,300	90,210	87,300	90,210	90,210	87,300	90,210	87,300	90,210	90,210	84,390	1,065,060
14	NJWSA - Overdraft - Raritan	0	0	0	0	0	0	0	903,258	0	0	0	2,382,370	3,285,628
15	City of Newark - Summit	0	53	182	165	0	0	1,879	475	150	95	240	120	3,359
16	NJWSA - Water - former Roxbury	0	0	0	4	0	0	4	0	4	0	0	4	16
17	Total Volume Assoc. with PW Expense as Adjusted (a)	4,027,932	4,152,446	4,210,570	4,461,813	5,358,388	5,772,618	5,321,333	5,191,295	5,476,985	4,324,182	4,307,808	7,734,205	60,339,575
18														

19 Notes:

20 (a) Purchased Water usage reflects actuals except for estimates utilized for activity from October 2023 through March 2024. The estimated activity is based on a 3-year average usage of years ended 3/31/21, 3/31/22, and 3/31/23 activity.

21
22
23

New Jersey-American Water Company, Inc.
Statement of PWAC True Up Schedule - Revenue and Operating Expense - PWAC Water Service

New Jersey-American Water Company, Inc.
 BPU Docket No. WR23XXXXXX
 Witness Responsible: Jamie D. Hawn

Schedule JDH-2
 PWAC Filing Year: 4/1/2023 - 3/31/2024
 Page 1

Line No.	Note (a) Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
1	Purchased Water													
2	Total Billed PWAC Revenue (non-expt. & exempt) (b)	\$2,916,828	\$3,114,171	\$4,637,558	\$4,797,851	\$4,873,284	\$4,888,570	\$4,142,719	\$3,393,556	\$3,278,477	\$3,497,099	\$3,165,030	\$3,152,606	\$45,857,749
3	Less: Exempt PWAC Revenue (from In. 45)	88,405	118,961	119,519	116,300	138,694	119,211	133,207	112,199	106,820	125,679	113,640	112,739	1,405,374
4	Non-Exempt PWAC Revenue	\$2,828,423	\$2,995,210	\$4,518,039	\$4,681,551	\$4,734,590	\$4,769,359	\$4,009,512	\$3,281,357	\$3,171,657	\$3,371,420	\$3,051,390	\$3,039,867	\$44,452,375
5														
6	GRFT tax rate (3)	13.63%	13.63%	13.63%	13.63%	13.63%	13.63%	13.63%	13.63%	13.63%	13.63%	13.63%	13.63%	13.63%
7	PWAC Non-exempt. Rev. net of GRFT (In.4 *(100% -In.6)	\$2,442,909	\$2,586,963	\$3,902,230	\$4,043,456	\$4,089,265	\$4,119,422	\$3,463,122	\$2,834,195	\$2,739,444	\$2,911,985	\$2,635,566	\$2,625,614	\$38,394,171
8	Add Back: Exempt PWAC Revenue (In. 3)	88,405	118,961	119,519	116,300	138,694	119,211	133,207	112,199	106,820	125,679	113,640	112,739	1,405,374
9	PWAC Revenue net of GRFT	\$2,531,314	\$2,705,924	\$4,021,749	\$4,159,756	\$4,227,959	\$4,238,633	\$3,596,329	\$2,946,394	\$2,846,264	\$3,037,664	\$2,749,206	\$2,738,353	\$39,799,545
10														
11	Less: Uncollectible & BPU/ Div. Rate Counsel Exp. Factor (c)	0.9929	0.9929	0.9929	0.9929	0.9929	0.9929	0.9929	0.9929	0.9929	0.9929	0.9929	0.9929	0.9929
12	PWAC Rev. net of GRFT, Uncoll.,BPU/DRC exp. (In.9*11)	\$2,513,342	\$2,686,712	\$3,993,195	\$4,130,222	\$4,197,940	\$4,208,648	\$3,570,888	\$2,925,551	\$2,826,129	\$3,016,175	\$2,729,758	\$2,718,982	\$39,517,542
13														
14	Less: PWAC True-up Under-recovery of \$1,631,820													
15	from PWAC Year 4/22-3/23 divided by 12 mos. (1)	135,985	135,985	135,985	135,985	135,985	135,985	135,985	135,985	135,985	135,985	135,985	135,985	1,631,820
16														
17	Total PWAC Revenues net of Cost recoveries detailed above	\$2,377,357	\$2,550,727	\$3,857,210	\$3,994,237	\$4,061,955	\$4,072,663	\$3,434,903	\$2,789,566	\$2,690,144	\$2,880,190	\$2,593,773	\$2,582,997	\$37,865,722
18														
19	Total Purchased Water Exp. as Adjusted - (per Sch. JDH-1, In.38)	1,387,741	2,178,905	2,028,313	3,246,327	3,033,897	3,666,696	5,918,784	2,797,196	3,722,083	2,491,226	2,454,117	4,675,119	37,600,404
20														
21	Total PWAC True-Up Balance													
22	(Over-Recovered) / Under-Recovered (In. 19- 17)	(\$989,616)	(\$371,822)	(\$1,828,897)	(\$747,910)	(\$1,028,058)	(\$405,967)	\$2,483,881	\$7,630	\$1,031,939	(\$388,964)	(\$139,656)	\$2,092,122	(\$285,318)
23														
24	Interest Calculation													
25	Total PWAC Cumulative True-up Balance													
26	(Over-Recov.) / Under-Recov. (d)	\$1,631,820	\$506,219	(\$1,588)	(\$1,966,470)	(\$2,850,365)	(\$4,014,408)	(\$4,556,360)	(\$2,208,464)	(\$2,336,819)	(\$1,440,865)	(\$1,965,814)	(\$2,241,455)	(\$285,318)
27														
28	Average of the Current & Prior months Cumulative	1,069,020	252,316	(984,029)	(2,408,418)	(3,432,387)	(4,285,384)	(3,382,412)	(2,272,642)	(1,888,842)	(1,703,340)	(2,103,635)	(1,263,387)	
29	True-up Balances (Over rec.) / Under rec.													
30														
31	Overall ROR Per Docket (e)	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%	
32	Monthly Overall Rate of Return	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	
33	Interest on True-up Balances - (Over) / Under	\$6,200	\$1,463	(\$5,707)	(\$13,969)	(\$19,908)	(\$24,855)	(\$19,618)	(\$13,181)	(\$10,955)	(\$9,879)	(\$12,201)	(\$7,328)	(\$129,938)
34														
35	Total PWAC (Over-Recov.) / Under-Recov. including Interest													(\$415,256)
36														
37	Exempt (from GRFT) Customers Actual Water Sales (1000 gals): (f)													
38	Cogen (Bayway) -- OIW	102,753	113,816	105,778	112,619	125,226	116,992	108,991	105,259	107,407	129,025	127,610	116,815	1,372,291
39	Aqua NJ Water Co. -- SFR-CD	19,291	22,787	21,413	20,725	21,322	12,366	20,329	21,688	20,627	21,218	21,198	19,157	242,121
40	Middlesex Water Co. -- SFR SOS	90,421	85,530	109,853	90,186	92,969	90,918	114,905	90,423	84,138	90,029	76,842	81,300	1,097,514
41	PSE&G. --Reg. GMS	9,769	29,317	15,586	22,295	53,642	31,702	37,336	19,787	13,616	25,378	14,553	21,027	294,008
42	Total Exempt Customer Actual Water Sales	222,234	251,450	252,630	245,825	293,159	251,978	261,561	237,157	225,788	265,650	240,203	238,299	3,005,934
43														
44	Exempt PWAC Rate per 1000 gals. (g)	\$0.3978	\$0.4731	\$0.4731	\$0.4731	\$0.4731	\$0.4731	\$0.4731	\$0.4731	\$0.4731	\$0.4731	\$0.4731	\$0.4731	\$0.4675
45	Exempt PWAC Revenue	\$88,405	\$118,961	\$119,519	\$116,300	\$138,694	\$119,211	\$133,207	\$112,199	\$106,820	\$125,679	\$113,640	\$112,739	\$1,405,374
46														

47 Notes:

- 48 (a) March 2023 represents Total PWAC True-up balance per Schedule JDH-2a.
- 49 (b) Billed PWAC water revenues are based on actuals, except for estimates utilized for activity from October 2023 through March 2024. Estimates are based on prior year, same month revenues, adjusted by the rate change effective 05/01/23.
- 50 (c) Uncollectible, GRFT and assessment rates effective 9/1/2022 based on BPU Docket No. WR 22010019.
- 51 (d) Line 22 of the current month plus line 26 of the prior month less line 15 of the current month.
- 52 (e) Effective 9/1/2022 based on BPU Docket No. WR22010019.
- 53 (f) Water sales for all entities were based upon actual monthly water sales, except for estimates utilized for activity from October 2023 through March 2024. The estimated activity is based on a 3-year average of 2021, 2022, and 2023 usage for the same month.
- 54 (g) Exempt rate reflects \$0.4731 effective 5/1/23 per BPU Docket No. WR22110693.

New Jersey-American Water Company, Inc.
Statement of PWAC True Up Schedule - Revenue and Operating Expense - PWAC Water Service

New Jersey-American Water Company, Inc.
 BPU Docket No. WR22110693
 Witness Responsible: Jamie D. Hawn

Schedule JDH-2a
 PWAC Filing Year: 4/1/2022 - 3/31/2023
 Page 1

Line No.	Note (a) Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Total
1														
2	Total Billed PWAC Revenue (non-expt. & exempt) (b)	\$2,740,020	\$2,764,315	\$3,383,359	\$4,290,467	\$4,578,302	\$4,525,873	\$3,529,624	\$2,891,332	\$2,793,284	\$2,979,551	\$2,696,626	\$2,686,041	\$39,858,794
3	Less: Exempt PWAC Revenue (from ln. 45)	101,085	95,438	132,841	133,620	223,870	214,729	140,561	96,731	100,040	115,120	110,000	86,689	1,550,724
4	Non-Exempt PWAC Revenue	\$2,638,935	\$2,668,877	\$3,250,518	\$4,156,847	\$4,354,432	\$4,311,144	\$3,389,063	\$2,794,601	\$2,693,244	\$2,864,431	\$2,586,626	\$2,599,352	\$38,308,070
5														
6	GRFT tax rate (3)	13.63%	13.63%	13.63%	13.63%	13.63%	13.63%	13.63%	13.63%	13.63%	13.63%	13.63%	13.63%	13.63%
7	PWAC Non-exempt. Rev. net of GRFT (ln.4 *(100% -ln.6)	\$2,279,248	\$2,305,109	\$2,807,472	\$3,590,269	\$3,760,923	\$3,723,649	\$2,927,224	\$2,413,771	\$2,326,226	\$2,474,085	\$2,234,137	\$2,245,129	\$33,087,242
8	Add Back: Exempt PWAC Revenue (ln. 3)	101,085	95,438	132,841	133,620	223,870	214,729	140,561	96,731	100,040	115,120	110,000	86,689	1,550,724
9	PWAC Revenue net of GRFT	\$2,380,333	\$2,400,547	\$2,940,313	\$3,723,889	\$3,984,793	\$3,938,378	\$3,067,785	\$2,510,502	\$2,426,266	\$2,589,205	\$2,344,137	\$2,331,818	\$34,637,966
10														
11	Less: Uncollectible & BPU/ Div. Rate Counsel Exp. Factor (c)	0.9931	0.9931	0.9931	0.9931	0.9931	0.9929	0.9929	0.9929	0.9929	0.9929	0.9929	0.9929	0.9929
12	PWAC Rev. net of GRFT, Uncoll.,BPU/DRC exp. (ln.9*11)	\$2,363,909	\$2,383,983	\$2,920,025	\$3,698,194	\$3,957,298	\$3,910,518	\$3,046,083	\$2,492,742	\$2,409,102	\$2,570,889	\$2,327,554	\$2,315,322	\$34,395,619
13														
14	Less: PWAC True-up Over-recovery of (\$1,134,923)													
15	from PWAC Year 4/21-3/22 divided by 12 mos. (1)	(94,224)	(94,227)	(94,227)	(94,227)	(94,227)	(94,227)	(94,227)	(94,227)	(94,227)	(94,227)	(94,227)	(94,227)	(1,130,721)
16														
17	Total PWAC Revenues net of Cost recoveries detailed above	\$2,458,133	\$2,478,210	\$3,014,252	\$3,792,421	\$4,051,525	\$4,004,745	\$3,140,310	\$2,586,969	\$2,503,329	\$2,665,116	\$2,421,781	\$2,409,549	\$35,526,340
18														
19	Total Purchased Water Exp. as Adjusted - (per Sch. JDH-1, ln.38)	2,254,252	2,037,040	946,045	3,871,662	2,931,742	3,323,546	5,279,957	3,487,033	3,329,015	3,435,184	1,458,003	4,951,535	37,305,014
20														
21	Total PWAC True-Up Balance													
22	(Over-Recovered) / Under-Recovered (ln. 19- 17)	(\$203,881)	(\$441,170)	(\$2,068,207)	\$79,241	(\$1,119,783)	(\$681,199)	\$2,139,647	\$900,064	\$825,686	\$770,068	(\$963,778)	\$2,541,986	\$1,778,674
23														
24	Interest Calculation													
25	Total PWAC Cumulative True-up Balance													
26	(Over-Recov.) / Under-Recov. (d)	(\$1,130,721)	(\$1,240,378)	(\$1,587,321)	(\$3,561,301)	(\$3,387,833)	(\$4,413,389)	(\$5,000,361)	(\$2,766,487)	(\$1,772,196)	\$12,012	(\$857,539)	\$1,778,674	
27														
28	Average of the Current & Prior months Cumulative	(1,185,550)	(1,413,850)	(2,574,311)	(3,474,567)	(3,900,611)	(4,706,875)	(3,883,424)	(2,269,342)	(1,312,240)	(420,136)	(422,764)	460,568	
29	True-up Balances (Over rec.) / Under rec.													
30														
31	Overall ROR Per Docket (e)	7.0306%	7.0306%	7.0306%	7.0306%	7.0306%	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%
32	Monthly Overall Rate of Return	0.59%	0.59%	0.59%	0.59%	0.59%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%
33	Interest on True-up Balances - (Over) / Under	(\$6,995)	(\$8,342)	(\$15,188)	(\$20,500)	(\$23,014)	(\$27,300)	(\$22,524)	(\$13,162)	(\$7,611)	(\$2,437)	(\$2,452)	\$2,671	(\$146,854)
34														
35	Total PWAC (Over-Recov.) / Under-Recov. including Interest													\$1,631,820
36														
37	Exempt (from GRFT) Customers Actual Water Sales (1000 gals): (f)													
38	Cogen (Bayway) -- OIW	118,356	115,372	115,461	101,354	115,099	110,977	116,864	107,375	127,762	153,366	146,309	103,127	1,431,422
39	Aqua NJ Water Co. -- SFR-CD	20,977	19,879	21,660	20,524	21,293	21,419	20,726	21,436	20,751	21,418	21,380	19,346	250,809
40	Middlesex Water Co. -- SFR SOS	87,268	86,805	169,879	173,836	301,479	296,902	168,810	92,251	86,209	92,755	89,813	78,806	1,724,813
41	PSE&G. --Reg. GMS	27,508	17,858	26,939	40,183	124,899	110,494	46,947	22,102	16,761	21,853	19,019	16,642	491,205
42	Total Exempt Customer Actual Water Sales	254,109	239,914	333,939	335,897	562,770	539,792	353,347	243,164	251,483	289,392	276,521	217,921	3,898,249
43														
44	Exempt PWAC Rate per 1000 gals. (g)	\$0.3978	\$0.3978	\$0.3978	\$0.3978	\$0.3978	\$0.3978	\$0.3978	\$0.3978	\$0.3978	\$0.3978	\$0.3978	\$0.3978	\$0.3978
45	Exempt PWAC Revenue	\$101,085	\$95,438	\$132,841	\$133,620	\$223,870	\$214,729	\$140,561	\$96,731	\$100,040	\$115,120	\$110,000	\$86,689	\$1,550,724
46														

Notes:
 (a) March 2022 represents Total PWAC True-up balance per Schedule JDH-2a.
 (b) Billed PWAC water revenues are based on actuals, except for estimates utilized for activity from January 2023 through March 2023. Estimates are based on prior year, same month revenues, adjusted by the rate change effective 04/01/22.
 (c) Uncollectible, GRFT and assessment rates effective 9/1/2022 based on BPU Docket No. WR 22010019.
 (d) Line 22 of the current month plus line 26 of the prior month less line 15 of the current month.
 (e) Effective 9/1/2022 based on BPU Docket No. WR22010019.
 (f) Water sales for all entities were based upon actual monthly water sales, except for estimates utilized for activity from January 2023 through March 2023. The estimated activity is based on a 3-year average of 2020, 2021, and 2022 usage for the same month.
 (g) Exempt rate reflects \$0.3978 effective 4/1/22 per BPU Docket No. WR21111220.

New Jersey-American Water Company, Inc.
Statement of Pro Forma PWAC

New Jersey-American Water Company, Inc.
BPU Docket No. WR23XXXXXX
Witness Responsible: Jamie D. Hawn

Schedule JDH-3
PWAC Filing Year: 4/1/2023 - 3/31/2024
Page 1

Line	CALCULATION of PWAC Rates for Year 4/1/2024-3/31/2025 Without Compression (regular calc.)	
1	(1)	(2)
2		<u>Regular Calc.</u>
3	Pro forma Purchased Water Exp.- PWAC Year 4/01/24-3/31/25 (Schd. OAK-1)	\$38,777,532
4	PWAC True-up from PWAC Year 4/01/23-3/31/24 (Schedule JDH-2)	(415,256)
5		
6		
7	sub-total (lines 3+4)	\$38,362,276
8		
9	Gross-up factor for Uncollect. Exp. & Actual BPU / Div. Rate Counsel Assessments (a)	0.9933
10		
11	PWAC for Recovery pre-GRFT (line 7 / 9)	\$38,621,037
12		
13	Total Projected Water Sales subject to PWAC (1000 gallons) (line 46) (c)	85,302,490
14		
15	PWAC Exempt Rate per 1000 gallons (line 11 / 13)	<u>\$0.4528</u>
16		
17	PWAC Non-Exempt Rate per 1000 gals. (line 15 / grossed up for GRFT @ 13.63%) (b)	<u>\$0.5242</u>
18		
19		
20		
21	<u>Pricing</u>	
22	<u>Exempt Sales</u>	
23	Projected Exempt Water Sales subject to PWAC (1000 gallons) (line 46) (c)	2,808,724
24	PWAC Exempt Rate per 1000 gallons (line 15)	\$0.4528
25	PWAC Exempt Revenue	\$1,271,790
26		
27	<u>Non-Exempt Sales</u>	
28	Non-Exempt PWAC recovery pre-GRFT (line 11 - 25)	\$37,349,247
29	Non-Exempt PWAC recovery grossed-up for GRFT (line 28 / (100% - 13.63%))	\$43,241,983
30		
31	Projected Non-exempt Water Sales subject to PWAC (1000 gallons) (line 46) (c)	82,493,766
32	PWAC Non-Exempt Rate per 1000 gallons (line 17)	\$0.5242
33	PWAC Non-Exempt Revenue	\$43,243,232
34		
35	Total PWAC Revenue (ln. 24 + 32)	<u>\$44,515,022</u>
36		
37		

Notes:
(a) Uncollectible rate @ 0.406% per Docket No. WR 22010019 and actual 2023 assessment rates @ 0.263279% (combined)
(BPU = 0.213045%, Rate Counsel = 0.050234%)
Gross-up factor (100% - (0.406% + 0.263279%)) or 99.33%.
(b) NJAWC Authorized GRFT rate is 13.62735% per Docket No. WR 22010019
(c) Projected water sales are an average of calendar years 2021, 2022 and 2023 actual water usage.

	<u>Exempt</u>	<u>Non-Exempt</u>	<u>Total</u>
Water Sales (in 1000 gallons)	2,808,724	82,493,766	85,302,490

New Jersey-American Water Company, Inc.
Statement of Lakewood Sewer Service Actual Purchased Wastewater Treatment Operating Expense - PSTAC Sewer Service
PSTAC Year 4/1/23 - 3/31/24

New Jersey-American Water Company, Inc.
BPU Docket No. WR23XXXXXX
Witness Responsible: Jamie D. Hawn

Schedule JDH-4
PWAC Filing Year: 4/1/2023 - 3/31/2024
Page 1

Line No.	Purchased Wastewater Treatment	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
1														
2														
3	Lakewood Sewer Service													
4														
5	<u>Journal Entries</u>													
6	Entries/Accruals (a)	\$568,826	\$568,826	\$568,826	\$1,137,652	\$0	\$568,826	\$568,826	\$568,826	\$568,826	\$564,211	\$564,211	\$564,211	\$6,812,067
7	Total Bal. Purch. Wastewater Treatment	\$568,826	\$568,826	\$568,826	\$1,137,652	\$0	\$568,826	\$568,826	\$568,826	\$568,826	\$564,211	\$564,211	\$564,211	\$6,812,067
8														
9	<u>Adjustments</u>													
10	<u>Additions/Vouchers</u>													
11	Ocean County Utilities Authority (OCUA) Vouchers (b)	\$1,706,478	\$0	\$0	\$1,706,478	\$0	\$0	\$1,706,478	\$0	\$0	\$1,692,633	\$0	\$0	\$6,812,067
12	OCUA - Deficiency Charge Voucher (b)											736,955		736,955
13														0
14														0
15	Total of Additions	\$1,706,478	\$0	\$0	\$1,706,478	\$0	\$0	\$1,706,478	\$0	\$0	\$1,692,633	\$736,955	\$0	\$7,549,022
16														
17														
18	<u>Eliminations</u>													
19	Eliminate Accruals for Account	(\$568,826)	(\$568,826)	(\$568,826)	(\$1,137,652)	\$0	(\$568,826)	(\$568,826)	(\$568,826)	(\$568,826)	(\$564,211)	(\$564,211)	(\$564,211)	(\$6,812,067)
20														0
21	Total of Eliminations	(\$568,826)	(\$568,826)	(\$568,826)	(\$1,137,652)	\$0	(\$568,826)	(\$568,826)	(\$568,826)	(\$568,826)	(\$564,211)	(\$564,211)	(\$564,211)	(\$6,812,067)
22														
23	Total Purch. Wastewater Treat. Exp. As Adjusted	\$1,706,478	\$0	\$0	\$1,706,478	\$0	\$0	\$1,706,478	\$0	\$0	\$1,692,633	\$736,955	\$0	\$7,549,022

26 Notes:

27 (a) Journal Entries/accruals are based on actuals.

28 (b) 2023 Deficiency Charge estimated at average of 2020, 2021 and 2022 deficiency charges.

New Jersey-American Water Company, Inc.
 Statement of Lakewood Sewer Service PSTAC True Up Schedule - Revenue and Operating Expense - PSTAC Sewer Service
 PSTAC Year 4/1/22 - 3/31/23

New Jersey-American Water Company, Inc.
 BPU Docket No. WR2211XXXX
 Witness Responsible: Jamie D. Hawn

Schedule JDH-5a
 PWAC Filing Year: 4/1/2022 - 3/31/2023
 Page 1

Line No.	Note (a)	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Total
1															
2															
3															
4			\$648,637	\$626,573	\$620,747	\$631,524	\$632,285	\$633,022	\$631,125	\$622,487	\$628,741	\$649,413	\$617,712	\$631,495	\$7,573,761
5			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6			\$648,637	\$626,573	\$620,747	\$631,524	\$632,285	\$633,022	\$631,125	\$622,487	\$628,741	\$649,413	\$617,712	\$631,495	\$7,573,761
7															
8			0.9931	0.9931	0.9931	0.9931	0.9931	0.9929	0.9929	0.9929	0.9929	0.9929	0.9929	0.9929	0.9930
9			\$644,161	\$622,250	\$616,464	\$627,166	\$627,922	\$628,528	\$626,644	\$618,067	\$624,277	\$644,802	\$613,326	\$627,011	\$7,520,618
10															
11															
12			(48,736)	(48,740)	(48,740)	(48,740)	(48,740)	(48,740)	(48,740)	(48,740)	(48,740)	(48,740)	(48,740)	(48,740)	(584,876)
13															
14															
15															
16															
17			\$692,897	\$670,990	\$665,204	\$675,906	\$676,662	\$677,268	\$675,384	\$666,807	\$673,017	\$693,542	\$662,066	\$675,751	\$8,105,494
18															
19			1,686,283	0	0	1,686,283	0	0	0	1,686,283	0	1,706,478	461,751	0	7,227,078
20															
21															
22															
23			\$993,386	(\$670,990)	(\$665,204)	\$1,010,377	(\$676,662)	(\$677,268)	(\$675,384)	\$1,019,476	(\$673,017)	\$1,012,936	(\$200,315)	(\$675,751)	(\$878,416)
24															
25															
26															
27			(\$584,876)	\$457,246	(\$165,004)	(\$781,468)	\$277,649	(\$350,273)	(\$978,801)	(\$1,605,445)	(\$537,229)	(\$1,161,506)	(\$99,830)	(\$251,405)	(\$878,416)
28															
29			(63,815)	146,121	(473,236)	(251,910)	(36,312)	(664,537)	(1,292,123)	(1,071,337)	(849,368)	(630,668)	(175,618)	(564,911)	
30															
31															
32															
33			7.0306%	7.0306%	7.0306%	7.0306%	7.0306%	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%	
34			0.59%	0.59%	0.59%	0.59%	0.59%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	
35			(\$377)	\$862	(\$2,792)	(\$1,486)	(\$214)	(\$3,854)	(\$7,494)	(\$6,214)	(\$4,926)	(\$3,658)	(\$1,019)	(\$3,276)	(\$34,448)
36															
37															
38															(\$912,864)
39															
40															
41															
42															
43															
44															
45															
46															

Notes:
 41 (a) March 2022 represents the Total PSTAC True-up balance for Lakewood Sewer per Schedule JDH-5a.
 42 (b) Billed PSTAC revenues are based on actuals, except estimates utilized for October 2022 through March 2023.
 43 (c) The GRFT rate is not applicable to wastewater treatment costs. Uncollectible and assessment rates effective 9/1/2022 based on BPU Docket No. WR 22010019.
 44 (d) Line 23 of the current month plus line 27 of the prior month less line 12 of the current month.
 45 (e) Effective 9/1/2022 based on BPU Docket No. WR22010019.

New Jersey-American Water Company, Inc.
 Statement of Adelpia Sewer Service PSTAC True Up Schedule - Revenue and Operating Expense - PSTAC Sewer Service
 PSTAC Year 4/1/22 - 3/31/23

New Jersey-American Water Company, Inc.
 BPU Docket No. WR2211XXXX
 Witness Responsible: Jamie D. Hawn

Schedule JDH-7a
 PWAC Filing Year: 4/1/2022 - 3/31/2023
 Page 1

Line No.	Note (a)	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Total
1															
2	Adelpia Sewer Service														
3															
4	Total Billed PSTAC Revenue (b)		\$93,002	\$83,572	\$92,259	\$111,300	\$99,910	\$103,298	\$82,062	\$80,655	\$87,893	\$82,704	\$79,832	\$79,378	\$1,075,865
5	GRFT tax rate (N/A) (c)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	Billed PSTAC Revenues net of GRFT		\$93,002	\$83,572	\$92,259	\$111,300	\$99,910	\$103,298	\$82,062	\$80,655	\$87,893	\$82,704	\$79,832	\$79,378	\$1,075,865
7															
8	Less: Uncollectible & BPU/Div. Rate Counsel Exp. Factor (3)		0.9931	0.9931	0.9931	0.9931	0.9931	0.9929	0.9929	0.9929	0.9929	0.9929	0.9929	0.9929	0.9930
9	PSTAC Rev. net of GRFT, Uncoll., BPU/DRC exp. (line 6*8)		\$92,360	\$82,995	\$91,622	\$110,532	\$99,221	\$102,567	\$81,481	\$80,084	\$87,271	\$82,119	\$79,267	\$78,816	\$1,068,335
10															
11															
12	Less: PSTAC True-up Over-recovery of \$40,936		(3,415)	(3,411)	(3,411)	(3,411)	(3,411)	(3,411)	(3,411)	(3,411)	(3,411)	(3,411)	(3,411)	(3,411)	(40,936)
13	from PSTAC Year 4/21-3/22 divided by 12 mos. (a)														
14															
15	Total PSTAC Revenue net of Cost recoveries detailed above		95,775	86,406	95,033	113,943	102,632	105,978	84,892	83,495	90,682	85,530	82,678	82,227	1,109,271
16															
17	Total Purch. Wastewater Treat. Exp. As Adjusted -		278,770	0	0	278,770	0	0	278,770	0	0	0	278,770	1,837	1,116,917
18	(per Schedule JDH-6, In. 22)														
19															
20	Total PSTAC True-up Balance														
21	(Over-Recovered) / Under-Recovered (ln. 17 - 15)		\$182,995	(\$86,406)	(\$95,033)	\$164,827	(\$102,632)	(\$105,978)	\$193,878	(\$83,495)	(\$90,682)	(\$85,530)	\$196,092	(\$80,390)	\$7,646
22															
23	Interest Calculation														
24	Total PSTAC Cumulative True-up Balance														
25	(Over-Recov.) / Under-Recov. (d)		(\$40,936)	\$145,474	\$62,479	(\$29,143)	\$139,095	\$39,874	(\$62,693)	\$134,596	\$54,512	(\$32,759)	(\$114,878)	\$84,625	\$7,646
26															
27	Average of the Current & Prior months Cumulative		52,269	103,977	16,668	54,976	89,485	(11,410)	35,952	94,554	10,877	(73,819)	(15,127)	46,136	
28	True-up Balances														
29															
30															
31	Overall ROR Per Docket (e)		7.0306%	7.0306%	7.0306%	7.0306%	7.0306%	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%	7.0107%
32	Monthly Overall Rate of Return		0.59%	0.59%	0.59%	0.59%	0.59%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%
33	Interest on True-up Balances - (Over) / Under		\$308	\$613	\$98	\$324	\$528	(\$66)	\$209	\$548	\$63	(\$428)	(\$88)	\$268	\$2,377
34															
35															
36	Total PSTAC (Over-Recov.) / Under-Recov. including Interest														\$7,646

Notes:
 (a) Total PSTAC True-up balance for Adelpia Sewer per Schedule JDH-7a.
 (b) Billed PSTAC revenues are based on actuals, except estimates utilized for October 2022 through March 2023.
 (c) The GRFT rate is not applicable to wastewater treatment costs. Uncollectible and assessment rates effective 9/1/2022 based on BPU Docket No. WR 22010019.
 (d) Line 23 of the current month plus line 27 of the prior month less line 12 of the current month.
 (e) Effective 9/1/2022 based on BPU Docket No. WR22010019.

New Jersey-American Water Company, Inc.
Summary Statement of Pro Forma Purchased Wastewater Treatment Expense
PSTAC Year 4/1/2023-3/31/2024

New Jersey-American Water Company, Inc.
BPU Docket No. WR23XXXXXX
Witness Responsible: Jamie D. Hawn

Schedule JDH-10
PWAC Filing Year: 4/1/2023 - 3/31/2024
Page 1

Line No.	Sewer Service Tariff Area / Vendor	Calendar Year 2024 Annual Charge	Projected Increase Effective 1/1/2025	Projected Calendar Year 2025 Annual Charge	Pro Forma PSTAC Year 4/1/24-3/1/25 Expense
	(1)	(2)	(3)	(4)	(5)
1	<u>Adelphia Sewer Service</u>				
2	Howell Township	\$1,155,236 (a)	0.39% (a1)	\$1,159,741	
3	Annual Charge:				
4	@ 9/12ths	866,427			
5	@ 3/12ths			289,935	
6	Pro forma Annual Cost PSTAC				\$1,156,362
7					
8					
9	Total Pro forma Costs PSTAC				<u>\$1,156,362</u>
10					
11	<u>Lakewood Sewer Service</u>				
12	Ocean County Utilities Authority	\$6,770,533 (b)	3.62% (b1)	\$7,015,626	
13					
14	Annual Charge:				
15	@ 9/12ths	\$ 5,077,900			
16	@ 3/12ths			1,753,907	
17	Pro forma Annual Cost PSTAC				\$6,831,807
18	OCUA's 2023 Estimated True-Up Deficiency Chg.				736,955 (c)
19					
20					
21	Total Pro forma Costs PSTAC				<u>\$7,568,762</u>
22					
23	<u>Ocean City Sewer Service</u>				
24	Cape May County Municipal Utilities Authority	10,447,708 (d)	1.35% (d1)	\$10,588,752	
25	Annual Charge:				
26	@ 9/12ths	7,835,781			
27	@ 3/12ths			2,647,188	
28	Pro forma Annual Cost PSTAC				\$10,482,969
29	CMCUA's 2023 Estimated True-Up Deficiency Chg.				590,541 (e)
30					
31					
32	Total Pro forma Costs PSTAC	2,611,927.00			<u>\$11,073,510</u>
33					
34					
35					
36	Total PSTAC Costs for Year				<u><u>\$19,798,634</u></u>

Notes:

- (a) Actuals through September 2023 and estimated based on a 3-year average, 2020 through 2022, for October 2023 thru February 2024.
- (a1) Reflects 3-year average of increases in total expenses for 2022, 2023, and update 2024.
- (b) Rate per 6/22/2023 Public Meeting Minutes for 2023 Rate \$4,120 per million gallons multiplied by 3-year average of 2021-2023 usage.
- (b1) Reflects 3-year average of increases in total expenses for 2021, 2022 and 2023.
- (c) Estimate equal to 3-year average of 2020, 2021 and 2022 deficiency charge.
- (d) Reflects proposed 2024 CMCMA Rate Setting report amount per letter from CMCMA.
- (d1) Reflects 3-year average in total expenses for 2022, 2023, and update 2024.
- (e) Reflects 3-year average in total expenses paid in 2021, 2022, and 2023.

New Jersey-American Water Company, Inc.
Statement of Pro Forma PSTAC
PSTAC Year 4/1/2023-3/31/2024

New Jersey-American Water Company, Inc.
BPU Docket No. WR23XXXXXX
Witness Responsible: Jamie D. Hawn

Schedule JDH-11
PWAC Filing Year: 4/1/2023 - 3/31/2024
Page 1

Line No.	(1) CALCULATION of PSTAC Rates for Year 4/1/24-3/31/25 Without Compression (regular calc.)	(2) Regular Calc.
	<u>Lakewood Sewer Service</u>	
1	Pro Forma Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2024-3/31/2025 (Schedule JDH-10)	\$7,568,762
2	PSTAC True-up from PSTAC Year 4/01/22-3/31/24 (Schedule JDH-5)	<u>(834,656)</u>
3	sub-total (lines 1 + 2)	\$6,734,106
4	Gross-up factor for Uncollectibles Exp. & Actual BPU / Div. Rate Counsel Assessments (a)	<u>0.9933</u>
5	PSTAC for Recovery (line 3 / 4)	\$6,779,529
6	Total Projected Sewer Service Sales subject to PSTAC (1000 gallons) (b)	<u>1,591,074</u>
7	PSTAC per 1000 gallons (line 5 / 6) (c)	<u>\$4.2610</u>
	<u>Adelphia Sewer Service</u>	
8	Pro Forma Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2024-3/31/2025 (Schedule JDH-10)	\$1,156,362
9	PSTAC True-up from PSTAC Year 4/01/23-3/31/24 (Schedule JDH-7)	<u>(13,219)</u>
10	sub-total (lines 8 + 9)	\$1,143,143
11	Gross-up factor for Uncollectibles Exp. & Actual BPU / Div. Rate Counsel Assessments (a)	<u>0.9933</u>
12	PSTAC for Recovery (line 10 / 11)	\$1,150,854
13	Total Projected Sewer Service Sales subject to PSTAC (1000 gallons) (b)	<u>165,833</u>
14	PSTAC per 1000 gallons (line 12 / 13) (c)	<u>\$6.9398</u>
	<u>Ocean City Sewer Service</u>	
15	Pro Forma Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2024-3/31/2025 (Schedule JDH-10)	\$11,073,510
16	PSTAC True-up from PSTAC Year 4/01/23-3/31/24 (Schedule JDH-9)	<u>(81,568)</u>
17	sub-total (lines 15 + 16)	\$10,991,942
18	Gross-up factor for Uncollectibles Exp. & Actual BPU / Div. Rate Counsel Assessments (a)	<u>0.9933</u>
19	PSTAC for Recovery (line 17 / 18)	\$11,066,085
20	Total Projected Sewer Service Sales subject to PSTAC (1000 gallons) (b)	<u>316,680</u>
21	PSTAC per 1000 gallons (line 19 / 20) (c)	<u>\$34.9441</u>

22 Notes:

- 23 (a) Uncollectible rate @ 0.406% per Docket No. WR 22010019 and actual 2023 assessment rates @ 0.263279% (combined)
24 (BPU = 0.213045%, Rate Counsel = 0.050234%)
25 Gross-up factor (100% - (0.406% + 0.263279%)) or 99.33%.
26 (b) See Schedule JDH-11, page 2 for explanation of Projected Sewer Sales.
27 (c) Gross-up for GRFT not applicable - wastewater treatment costs are deductible from Gross Receipts when computing GRFT.

New Jersey-American Water Company, Inc.
Pro Forma PSTAC-Supporting Sewer Service Sales Worksheet
PSTAC Year 4/1/2023-3/31/2024

New Jersey-American Water Company, Inc.
BPU Docket No. WR23XXXXXX
Witness Responsible: Jamie D. Hawn

Schedule JDH-11
PWAC Filing Year: 4/1/2023 - 3/31/2024
Page 2

Pro forma Lakewood Sewer Service Sales:

Total Sales Lakewood	<u>1,591,074 (a)</u> <u>1,591,074</u>
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Pro forma Adelphia Sewer Service Sales:

Total Sales Adelphia	<u>165,833 (b)</u> <u>165,833</u>
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Pro forma Ocean City Sewer Service Sales:

Total Sales Ocean City	<u>316,680 (c)</u> <u>316,680</u>
------------------------	--------------------------------------

Notes:

- (a) Average of customers' 2021, 2022 & 2023 actual winter wastewater consumption.
- (b) Average of customers' 2021, 2022 & 2023 actual wastewater consumption.
- (c) Average of customers' 2021, 2022 & 2023 actual summer wastewater consumption.

New Jersey-American Water Company, Inc.
PWAC/PSTAC Filing Year 4/1/2023-3/31/2024
Calculation of Revenue Increase

TOTAL REVENUES (Base + PWAC/PSTAC)

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Base Rate Revenues per BPU Order Doc. #WR22010019</u>			
Water - Schedule B, page 1 - note (c)	748,919,505		\$748,919,505
Sewer - Schedule B, page 1			
Adelphia Sewer - Sch. B, page 12		1,474,949	1,474,949
Lakewood Sewer - Sch. B, page 12		10,410,568	10,410,568
Ocean City Sewer - Sch. B, page 12		5,866,586	5,866,586
Other Sewer Service not subject to PSTAC - Sch. B, pages 13-15		10,902,533	10,902,533
Total Base Rate Revenues per BPU Order	<u>\$748,919,505</u>	<u>\$28,654,636</u>	<u>\$777,574,141</u>
DSIC Rate Revenues per BPU Order Doc #WR22010019	\$0		\$0
Total DSIC Rate Revenues per BPU Order	<u>\$748,919,505</u>	<u>\$28,654,636</u>	<u>\$777,574,141</u>
<u>Pro Forma PWAC/PSTAC Present Rate Revenues per Current Filing</u>			
PWAC per Schedule JDH-3, Col.2, (ln 23) + (ln 31) - note (a)	\$45,904,357		\$45,904,357
PSTAC per Schedule JDH-11 (ref. cols and lines below) - note (b)			
Adelphia Sewer - Col. 2, ln 14		1,142,739	1,142,739
Lakewood Sewer - Col. 2, ln 7		7,357,181	7,357,181
Ocean City Sewer - Col. 2, ln 21		10,646,636	10,646,636
Total Pro Forma PWAC/PSTAC Revenue Increase	<u>\$45,904,357</u>	<u>\$19,146,556</u>	<u>\$65,050,913</u>
<u>Total Present Rate Revenues (Base + DSIC + PWAC/PSTAC) per above</u>			
Water	\$794,823,862		\$794,823,862
Adelphia Sewer		2,617,688	2,617,688
Lakewood Sewer		17,767,749	17,767,749
Ocean City Sewer		16,513,222	16,513,222
Other Sewer Service not subject to PSTAC		10,902,533	10,902,533
Total Present Rate Revenues	<u>\$794,823,862</u>	<u>\$47,801,192</u>	<u>\$842,625,054</u>
<u>Pro Forma PWAC/PSTAC Proposed Revenue Increase per Current Filing</u>			
PWAC	(\$1,389,335)		(\$1,389,335)
PSTAC Adelphia Sewer		8,115	8,115
PSTAC Lakewood Sewer		(577,652)	(577,652)
PSTAC Ocean City Sewer		419,449	419,449
Total Pro Forma PWAC/PSTAC Revenue Increase	<u>(\$1,389,335)</u>	<u>(\$150,088)</u>	<u>(\$1,539,423)</u>
<u>Pro Forma PWAC/PSTAC Proposed Rev.Incr.% over current Total Present Rev.</u>			
PWAC	-0.17%		-0.17%
PSTAC Adelphia Sewer		0.31%	0.31%
PSTAC Lakewood Sewer		-3.25%	-3.25%
PSTAC Ocean City Sewer		2.54%	2.54%
Total Pro Forma PWAC/PSTAC Revenue Increase %	<u>-0.17%</u>	<u>-0.31%</u>	<u>-0.18%</u>

Notes: (a) Present rates per Schedule JDH-3 - per settlement, #WR22110693. Usage per JDH-3, lines 23 and 31.

(b) Present rates per Schedule JDH-11 - per settlement, #WR22110693. Usage per JDH-11.

(c) Approx. \$71m of base revenues are not subject to PWAC (Fire Service, Uninter. Manasquan Serv., Emergency/Backup Bulk Rates and Other Operating Revenues)

New Jersey-American Water Company, Inc.
 PWAC & PSTAC Rate Filing - Bill Comparisons
 Usage in Gallons, Usage Rates in 1000 gallons
 Proposed Rates are Un-Compressed Rates

Schedule JDH-16
 BPU Docket No. WR23XXXXXX

Service Area	Monthly Usage	Present Rates				Present Monthly Bill	Present Annual Bill
		Base Rates Eff. 9/01/22		PWAC Eff. 5/1/23			
		Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Usage Chg Rate	Monthly Chg. 5/8"		
GMS A-1	5,520	\$19.85	\$7.7752	\$0.5477	\$0.00	\$65.79	\$789.48
GMS A-2 (SFR)	5,520	19.85	7.7752	0.5477	0.00	65.79	789.48
GMS A-15	5,520	17.30	7.7752	0.5477	0.00	63.24	758.88
GMS A-16	5,520	17.30	3.9158	0.5477	0.00	41.94	503.28

Present Rates				Proposed	
Base Rates Eff. 9/01/22		DSIC Eff. 9/01/22		PWAC (a)	
Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Monthly Chg. 5/8"	Usage Chg Rate	Proposed Monthly Bill	Proposed Annual Bill
\$19.85	\$7.7752	\$0.00	\$0.5242	\$65.66	\$787.92
19.85	7.7752	0.00	0.5242	65.66	787.92
17.30	7.7752	0.00	0.5242	63.11	757.32
17.30	3.9158	0.00	0.5242	41.81	501.72

5/8" Customer			
Change		Change	
Monthly	%	Annual	%
(\$0.13)	-0.20%	(\$1.56)	-0.20%
(0.13)	-0.20%	(1.56)	-0.20%
(0.13)	-0.21%	(1.56)	-0.21%
(0.13)	-0.31%	(1.56)	-0.31%

Adelphia Sewer	Monthly Usage	Present Rates			Present Monthly Bill	Present Annual Bill
		Base Rates Eff. 9/01/22		PWAC Eff. 5/1/23		
		Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Usage Chg Rate		
Rates		\$15.00	\$4.7100	\$6.9196		
Monthly Bill Calculation	5,520	\$15.00	\$26.00	\$38.20	\$79.20	\$950.40

Present Rates		Proposed	
Base Rates Eff. 9/01/22		PSTAC	
Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Monthly Chg. 5/8"	Usage Chg Rate
\$15.00	\$4.7100	\$6.9398	
\$15.00	\$26.00	\$38.31	\$79.31

5/8" Customer			
Decrease			
Monthly	%	Annual	%
\$0.11	0.14%	\$1.32	0.14%

Ocean City Sewer	Annual Usage	Summer Qtr. Usage	Present Rates				Present Monthly Bill	Present Annual Bill
			Base Rates Eff. 9/01/22		PWAC Eff. 5/1/23			
			Sewer Usage Charge (b)	Minimum Service Charge (b1)	Service Charge (b1)			
Rates			\$2.3250	\$13.5000	\$33.7033			
Annual Bill Calculation	66,240	16,560	\$154.01	\$223.56	\$558.13	\$77.98	\$935.70	

Present Rates		Proposed	
Base Rates Eff. 9/01/22		PSTAC	
Sewer Usage Charge (b)	Minimum Service Charge (b1)	Minimum Service Charge (b1)	
\$2.3250	\$13.5000	\$34.9441	
\$154.01	\$223.56	\$578.67	\$79.69

5/8" Customer			
Increase			
Monthly	%	Annual	%
\$1.71	2.19%	\$20.52	2.19%

Notes: (b) Applicable to each month's current usage.
 (b1) Applicable to prior year's summer quarter usage.

Lakewood Sewer	Monthly Usage	Present Rates			Present Monthly Bill	Present Annual Bill
		Base Rates Eff. 9/01/22		PWAC Eff. 5/1/23		
		Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Usage Chg Rate		
Rates		\$15.00	\$4.5170	\$4.6191		
Monthly Bill Calculation	5,520	\$15.00	\$24.93	\$25.50	\$65.43	\$785.16

Present Rates		Proposed	
Base Rates Eff. 9/01/22		PSTAC	
Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Usage Chg Rate	
\$15.00	\$4.5170	\$4.2610	
\$15.00	\$24.93	\$23.52	\$63.45

5/8" Customer			
Increase			
Monthly	%	Annual	%
(\$1.98)	-3.03%	(\$23.76)	-3.03%

(a) Exempt PWAC rate of \$0.4528 per 1000 gallons.

BEFORE THE
STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF
NEW JERSEY-AMERICAN WATER COMPANY, INC.
FOR AUTHORIZATION TO CHANGE THE LEVEL OF ITS
PURCHASED WATER ADJUSTMENT CLAUSE AND
PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE

BPU Docket No. WR2311 _____

Direct Testimony of

Oleg A. Kostin

Exhibit PT-2

NEW JERSEY-AMERICAN WATER COMPANY, INC.
Direct Testimony of Oleg A. Kostin

1 **1. Q Please state your name, occupation and business address.**

2 A. My name is Oleg A. Kostin. I am the Director of Operations for New Jersey-American
3 Water Company, Inc. (hereinafter referred to as “NJAWC” or the “Company”). My
4 business address is P.O. Box 102, Bound Brook, New Jersey 08805-0102.

5 **2. Q. What are your primary responsibilities as they relate to your testimony in this case?**

6 A. I am responsible for ensuring production operations’ alignment and regulatory compliance
7 statewide through operator training, establishing uniform standard operating procedures,
8 sharing best practices and implementation of quality assurance programs. I also identify
9 and implement efficiency improvement projects associated with treatment, pumping and
10 storage facilities. These projects are advanced to the engineering group for capital project
11 design and delivery throughout the NJAWC service territory.

12 **3. Q. Please summarize your educational background and professional experience.**

13 A. Please refer to Appendix A for a summary of my educational background and business
14 experience.

15 **4. Q. Have you previously participated in regulatory matters?**

16 A. Yes, I have previously participated in rate cases and Purchased Water Adjustment Clause
17 (“PWAC”) filings by providing operational data/support documentation for the preparation
18 of direct and rebuttal testimony. I also provided testimony in support of the Company’s
19 2021, 2022 and 2023 PWAC/PSTAC petitions, BPU Docket Nos. WR20110719,
20 WR21111220 and WR22110693. I have also represented the Company on numerous
21 projects before municipal planning and zoning boards.

NEW JERSEY-AMERICAN WATER COMPANY, INC.
Direct Testimony of Oleg A. Kostin

1 **5. Q. What is the purpose of your direct testimony in this case?**

2 A. The purpose of my testimony is as follows: (1) to support the projected volume of water
3 purchases for the year ending March 31, 2025; (2) to support the projected cost of
4 purchased water subject to the PWAC for the year ending March 31, 2025; and (3) to
5 explain the manner in which NJAWC manages its water supply contracts, specifically the
6 efforts undertaken by the Company to control the charges on its purchased water.

7 **6. Q. Please provide a general overview of water supplies purchased by the Company.**

8 A. The Company's primary objective is to produce the water it provides to its customers from
9 surface and ground raw water resources. In 2022, approximately 71% of all water supplied
10 by the Company was produced from raw surface water supplies. These raw water supplies
11 are then treated by NJAWC at seven surface water treatment plants. Raw water diverted
12 from our Passaic River basin supply, our Delaware River Basin supply and our Swimming
13 River reservoir system is not purchased. Approximately 22% of all water supplied by
14 NJAWC is groundwater produced at 120 plants of varying capacity throughout the
15 distribution system. It is not always possible for the Company to supply water from either
16 purchased raw water sources, or from groundwater supplies. This may be because of the
17 lack of proximity of our customer base to groundwater resources or to transmission
18 infrastructure. As a result, approximately 7% of total water supply to customers is provided
19 from purchased, finished water.

20 **7. Q. Is the Company providing copies of all written agreements related to its PWAC**
21 **expenses?**

NEW JERSEY-AMERICAN WATER COMPANY, INC.
Direct Testimony of Oleg A. Kostin

1 A. Yes, copies of all written agreements are attached to the Petition as Appendix A. Costs
2 associated with the agreements are recovered through our PWAC, as depicted in Schedule
3 OAK-1.

4 **8. Q. Have you prepared a schedule for water to be purchased during the year ending**
5 **March 31, 2025?**

6 A. Yes, I have. Schedule OAK-1 reflects the Company's projected purchased water volume
7 and associated rates. As you can see from Schedule OAK-1, it is anticipated that during
8 the year ending March 31, 2025, NJAWC will purchase approximately 60,746.427
9 thousand gallons of water subject to the PWAC at a total cost to the Company of
10 \$38,777,532.

11 **9. Q. How did you calculate the volumes and price of water to be purchased during the**
12 **year ending March 31, 2025?**

13 A. It is based on existing contract purchase requirements with water purveyors, together with
14 known and measurable changes in rates charged for water and modifications to water
15 supply agreements. Purchase of volumes not under contract was based on customer
16 demand during the year ending March 31, 2024 (Schedule OAK-1, column 2), except as
17 indicated in the adjustments within the footnotes on Schedule OAK-1.

18 **10. Q. Please explain the efforts that the Company has undertaken operationally to control**
19 **costs under its water supply agreements.**

20 A. The Company's facilities are generally designed and operated as "zero discharge"
21 processes, meaning that process waste streams are recycled back to the head of the plant to

NEW JERSEY-AMERICAN WATER COMPANY, INC.
Direct Testimony of Oleg A. Kostin

1 minimize the amount of water being returned to the river source. By doing so, the
2 Company is able to avoid additional water purchases. If the waste streams were not
3 recycled, there would be a need to purchase millions of gallons of water per day to make
4 up for the waste discharge. In addition, operations management actively participates in the
5 annual rate process of our water suppliers by reviewing the validity of the charges and
6 attending Users Group and public meetings as rate proposals are put forth.

7 **11. Q. Please explain how the pro forma charges reflected in Schedule OAK-1 were derived.**

8 A. Pro forma contract purchases are reflected in Schedule OAK-1 based on the contract
9 minimum take requirements. Purchased water volumes are generally based on the
10 Company's contractual requirements or its most recent actual experience absent a contract
11 or where purchases generally exceed the contractual minimum purchase requirement.
12 Water rates are generally based on each purveyor's current rates. In the case of the NJWSA
13 (Manasquan, former Roxbury and Raritan supply) the Company has utilized the proposed
14 rates to occur during the year ending March 31, 2025 per NJWSA's website. For the
15 Passaic Valley Water Commission, Montclair Water Bureau and the Morris County MUA,
16 rates have been prorated to reflect published or estimated rate changes that will occur
17 during the year ending March 31, 2025. The basis of each rate is detailed in footnotes to
18 Schedule OAK-1.

19 **12. Q. Are there any notable adjustments to Schedule OAK-1?**

20 A. Please refer to the Schedule OAK-1 Notes for the methodology for each pro forma rate per
21 MGY. Also, the Company incorporated the impacts of new, terminated, or updated

NEW JERSEY-AMERICAN WATER COMPANY, INC.
Direct Testimony of Oleg A. Kostin

1 agreements as applicable. The pro forma amount associated with the overdraft charge of
2 NJWSA for the Raritan Basin was developed based on the 2023 data due to a change in
3 production strategy. Several large well water production facilities were taken out of service
4 (OOS) in the Raritan system on January 1, 2021, due to the newly promulgated New Jersey
5 Department of Environmental Protection PFAS regulations. The ground water production
6 deficit is being made up by surface water production increasing the monthly and annual
7 overdraft charges compared to prior years. Going forward there will be an increased
8 reliance on surface water production in the Raritan System similar to what transpired in
9 2022.

10 **13. Q. Has the Company done anything to encourage water conservation?**

11 A. Yes. The Company has regularly exercised demand side as well as supply side conservation
12 measures. These measures include, but are not limited to, the following: customer
13 education, regionalization and conjunctive use, reuse of process water, water auditing, leak
14 detection programs, infrastructure renewal and pressure management. For over ten years
15 we have implemented a wise water use communications campaign and requested voluntary
16 customer use restrictions to help control demand prior to high demand periods.

17 **14. Q. Does this conclude your testimony?**

18 A. Yes, it does.

NEW JERSEY-AMERICAN WATER COMPANY, INC.
Direct Testimony of Oleg A. Kostin

APPENDIX A

1 **Educational Background and Professional Associations**

2 I received a Bachelor of Arts degree (B.A.) in Environmental Studies from William
3 Paterson College (now William Paterson University) in 1981. In 1987 I earned a Master
4 of Arts degree (M.A.) degree in Biological Sciences from William Paterson College
5 (now William Paterson University). I am a member of the American Water Works
6 Association (“AWWA”) and was a past Vice Chair of the Partnership for Safe Water
7 Performance Effectiveness Assessment Committee. I was past Chair of the NJ AWWA
8 Education and Professional Development Committee. I was a past member of the New
9 Jersey DEP Board of Examiners for Water and Wastewater licensing. In 2012 I was
10 awarded Harold V. Florence Jr., Operator's Meritorious Service Award presented by
11 NJ Section AWWA (i.e. Operator of the Year).

12 **Business Experience**

13 From April 1985 to October 1987, I was a Senior Laboratory Technician for the Passaic
14 Valley Water Commission (PVWC) in Little Falls, NJ. In November of 1987 I took a
15 position as a Chemist with NJAWC (formerly the Commonwealth Water Company).
16 In January of 1990 I was promoted to Water Quality Supervisor and in March 1994 I
17 was promoted again to Water Quality Superintendent. I joined Elizabethtown Water
18 Company (“EWC”) in August of 1995 as Superintendent – Plant Operations for the
19 Canal Road Water Treatment Plant. While at EWC I was promoted to Superintendent
20 of Plant Operations in February of 1999; EWC was merged with NJAWC in 2003. I
21 was promoted to Production Manager in January of 2004; Senior Manager- Production
22 in January of 2018 and to my present role as Director of Operations in February of

NEW JERSEY-AMERICAN WATER COMPANY, INC.
Direct Testimony of Oleg A. Kostin

APPENDIX A

1 2020. In summary, I have over thirty-five years of experience in laboratory, water
2 quality and environmental compliance, and plant operations. During that time, I have
3 gained extensive experience in design, construction, maintenance, operation and
4 supervision/management of water facilities. I possess New Jersey Department of
5 Environmental Protection T-4, W-4 and N-1 licenses. I was the T-4 Licensed Operator
6 of Record for the Raritan Basin system from December 2000 to March 31, 2021.

**New Jersey-American Water Company, Inc.
Statement of Pro Forma Purchased Water Expense**

**New Jersey-American Water Company, Inc.
BPU Docket No. WR23XXXXXX
Witness Responsible: Oleg A. Kostin**

**Schedule OAK-1
PWAC Filing Year: 4/1/2023 - 3/31/2024
Page 1**

Purchased Water Vendor	Actual PWAC Year 4/1/23-3/31/24 Purchases (MGY)	Annual Contract Minimum (MGY)	Pro Forma Purchases (MGY)	Pro Forma Rate per MG		Pro Forma PWAC Year 4/1/2024-3/31/2025 Expense
(1)	(2)	(3)	(4)	(5)		(6)
Passaic Valley Water Commission (PVWC): PVWC - power component	4,094.868	4,653.000	3,960.284	\$3,337	(a) (b)	\$13,214,952 \$553,259
Morris County Municipal Utilities Authority	78.679	20.000	20.000	\$3,709	(a2) (c)	\$74,180
Montclair Water Bureau	91.358	65.000	90.21	\$5,235	(a1) (d)	\$472,211
New Jersey Water Supply Authority (NJWSA) Manasquan:	4,562.500					
Contract @ Initial rate		2,943.725	2,943.725	\$1,011	(e)	\$2,975,370
Contract @ Delayed rate		1,618.775	1,618.775	\$1,125	(e1)	\$1,820,588
Power component					(b)	212,480
Overdraft charge	117.899		95.311		(e2)	\$120,831
Raw Water Purchase: Former Shorelands	724.891					
Contract @ Initial rate		722.335	722.335	\$1,011	(e)	\$730,100
Contract @ Delayed rate		10.220	10.220	\$1,125	(e1)	\$11,494
Raritan:						
Contract	46,315.19	46,209.000	46,209.000	\$365	(f)	\$16,866,285
Legislative grant	1,065.06	1,065.06	1,065.060	\$0		\$0
Overdraft charge	3,285.628		3,996.542		(f1)	\$1,604,662
Retroactive Debt Service					(f2)	\$200,301
Credit against Retroactive Debt Serv. Pymts					(f3)	(\$84,320)
Former Roxbury:						
Contract	0.016	15	14.965	\$365	(g)	\$5,462
Credit against Retroactive Debt Serv. Pymts					(g1)	(\$323)
			<u>60,746.427</u>			<u>\$38,777,532</u>

**New Jersey-American Water Company, Inc.
Statement of Pro Forma Purchased Water Expense**

**New Jersey-American Water Company, Inc.
BPU Docket No. WR23XXXXXX
Witness Responsible: Oleg A. Kostin**

**Schedule OAK-1
PWAC Filing Year: 4/1/2023 - 3/31/2024
Page 2**

OAK-1 Notes:

- (a) Prorated Rate - estimated increased using three-year average of 3.67% effective 4/1/2024 and 1/1/2025.
- (a1) 3 year average of usage for the 12 months ended 3/31/22, 3/31/23 and 3/31/24. See Note 1, JDH-1a for explanation for year ended 3/31/24.
- (a2) Per amended contract with MCMUA effective Jan. 6, 2022 20 MGY
- (b) 3 year average of power costs for the 12 months ended 3/31/22, 3/31/23 and 3/31/24. See Note 1, JDH-1a for explanation for year ended 3/31/24.
- (c) Prorated rate effective 1/1/24 rate of \$3,662 for 9 months, plus 3 months of estimated rate effective 1/1/25, estimating 5.14% increase to 2024 rate.
- (d) 2024 rates prepared using last approved 2017 rates for peak and non-peak per Montclair Water Bureau Ordinance.
- (e) Prorated rate - 3 months of actual rate Eff. 7/1/23-6/30/24 of \$1,010.75, per mg and 9 mos. of 7/1/24-6/30/25 rate \$1,010.75 per mg, which represents no change in rates.
- (e1) Prorated rate - 3 months of actual rate Eff. 7/1/23-6/30/24 of \$1,124.67 per mg and 9 mos. of 7/1/24-6/30/25 proposed rates of \$1,124.67 per mg, which represents no change in rates.
- (e2) Estimated overdraft charge based upon average of 12 months ended 3/31/22, 3/31/23 and 3/31/24 actual monthly and annual overdraft charges. See Note 2, JDH-1 for explanation for year ended 3/31/24.
- (f) Prorated rate - 3 months of actual rate Eff. 7/1/23-6/30/24 \$365 per mg and 9 months 7/1/24-6/30/25 of proposed rate of \$365 per mg which represents no change in rates.
- (f1) Estimated overdraft charge based upon average of 12 months ended 3/31/22, 3/31/23 and 3/31/24 actual monthly and annual overdraft charges. See Note 2, JDH-1 for explanation for year ended 3/31/24.
- (f2) Actual annual retroactive debt service charge effective January 2008.
- (f3) Estimated prior period credit against the debt service charge is based upon a 3 year average of these credits for the 12 months ended 3/2022, 3/2023 and 3/2024.
- (g) Prorated rate - 3 months of actual rate Eff. 7/1/23-6/30/24 \$365 per mg and 9 months 7/1/24-6/30/25 of proposed rate of \$365 per mg which represents no change in rates.
- (g1) Estimated prior period credit against the debt service charge is based upon a 3 year average of these credits at 6/2021, 6/2022 and 6/2023.