



NEW JERSEY
AMERICAN WATER

WE KEEP LIFE FLOWING™



NEW JERSEY AMERICAN WATER 2019 RATE FILING

RATE ADJUSTMENT FILING

On December 16, 2019, New Jersey American Water filed an application with the New Jersey Board of Public Utilities (BPU) requesting a \$87.7 million increase in revenues. This request is needed to recover costs associated with providing reliable, high-quality water and wastewater service and fire protection to the approximately 2.7 million people across New Jersey who depend on us every day.

If the company's proposed rates are approved as requested, the water bill for the average residential customer using 5,400 gallons of water a month would increase from the current charge of \$55.89 to \$62.35, an increase of \$6.46 per month, or 21 cents per day. The average monthly residential wastewater bill would increase between \$0.00 and \$12.79, depending on the service area. Even with these increases, the cost of high-quality, reliable, 24-hour water and wastewater service would continue to be among the lowest household utility bills.

RATE REQUEST DRIVERS

Our rate request is based on the actual cost of providing water and wastewater service. The rate request is needed to recover the more than \$1 billion we invested in treatment and distribution system upgrades statewide.

Not only are these investments critical to the public's health and safety, but they also support the economic health of the communities we serve. This level of investment contributes to the creation of close to 16,000 jobs across the state.

System improvements include upgrades to water and wastewater treatment facilities, storage tanks, wells, pumping/lift stations to ensure that we meet all regulatory standards, as well as upgrades to the

company's computer systems that have reached the end of their useful lives.

New Jersey American Water also installed, replaced and rehabilitated over 95 miles (more than 510,000 feet) of aging pipe, as well as thousands of service lines, valves and hydrants.

To help mitigate rate increases for customers, we work very hard to control our costs and operate as efficiently as possible. New Jersey American Water employs best management practices and cost containment techniques, while taking advantage of economies of scale to enhance efficiencies and manage operational costs.

RATE MAKING PROCESS

New Jersey American Water is regulated by the New Jersey Board of Public Utilities (BPU). When considering rate requests, the BPU balances the needs of customers and the company.

Rate requests are based upon the cost of providing service. This includes construction, maintenance, operation and financing. As part of the rate filing, New Jersey American Water submits extensive financial and operational data documenting its cost of doing business. In addition, public hearings are held around the state to obtain customer input.

The BPU, Division of Rate Counsel and other parties then scrutinize the information received from the company and customers in an open and thorough process. Based on this, the BPU decides whether it will grant all, some or none of the request. Final rates will not occur until the BPU's review process is completed and it has rendered its final decision, which generally takes about nine months.

FOR MORE INFORMATION

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More information can also be found online at newjerseyamwater.com. Under **Customer Service & Billing**, select **Your Water and Wastewater Rates**.